



Agenda

Airport Board

20 Second Avenue SW, Oelwein

5:30 PM

July 25, 2022
Oelwein, Iowa

Mayor: Brett DeVore
Mayor Pro Tem: Lynda Payne

Pledge of Allegiance

Discussion

Discussion with City Council on Airport fuel system.

Discussion with City Council on FBO contract

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

SECTION 5-24. Deleted. (Ord. No. 1120, 6-26-2012.)

SECTION 5-25. PENALTIES.

1. Any person who shall violate any of the provisions of the fire prevention code hereby adopted or fail to comply therewith, or who shall violate or fail to comply with any order made thereunder, or shall build in violation of any detailed statement of specifications or plans submitted and approved thereunder, or any certificate or permit issued thereunder and from which no appeal has been taken, or who shall fail to comply with such an order affirmed or modified by the city council or by a court of competent jurisdiction, within the time fixed herein, shall severally for each such violation and non-compliance respectively, be guilty of a misdemeanor, punishable as provided in Section 1-8 of the Code of Ordinances, or alternatively guilty of a municipal infraction as provided in Section 1-10. The imposition of one penalty for any violation shall not excuse the violation or permit it to continue; all such persons shall be required to correct or remedy such violations or defects within a reasonable time; and when not otherwise specified, each ten (10) days that prohibited conditions are maintained shall constitute a separate offense.

2. The application of the above penalty shall not be held to prevent the enforced removal of prohibited conditions. (Ord. No. 431, Section 8, 7-24-67.)

SECTION 5-26. Deleted. (Ord. No. 817, 02-14-89.)

SECTION 5-27. Deleted. (Ord. No. 817, 02-14-89.)

SECTION 5-28. Deleted. (Ord. No. 817, 02-14-89.)

CHAPTER 6

AIRPORTS

Article I. Oelwein Municipal Airport
Sections 6-1 through 6-40

Article II. In General
Sections 6-41 through 6-49

Article III. Airport Zoning
Sections 6-50 through 6-61

Article IV. Oelwein Airport Board
Sections 6-100 through 6-106

ARTICLE I

OELWEIN MUNICIPAL AIRPORT

SECTION 6-1. DEFINITIONS.

The following words and phrases when used in this chapter shall, for the purpose of the chapter, have the meanings respectively ascribed to them in this section:

“Aircraft” or “Airplane”. “Aircraft” or “airplane” means any contrivance now known, or hereafter invented, used or designed for navigation of, or flight in, the air, for the purpose of transportation of persons or property, or both.

“Airport”. “Airport” means the Oelwein Municipal Airport and all improvements and appurtenances contained thereon.

“Fixed base operator”. A “Fixed base operator” shall be any person who shall have entered into a written lease or agreement with the city and airport commission for the use of any building, shop, or hangar, and, who, by further agreement, guarantees to provide on the airport and serve the public with the following minimum facilities:

1. Aircraft maintenance and repair,
2. Aircraft sale and rental,
3. Assure availability of aircraft gasoline and oil. (Ord. No. 449, Section 1, 10-27-69; Ord. No. 742, Section 1, 11-28-83.)

SECTION 6-2. BUILDING REQUIREMENTS AND GROUND RENTALS.

Any person desiring to erect or construct any building on the airport shall be required to submit plans and specifications for the same to the office of the city clerk. The plans shall also include a general layout, drawn to scale, showing the desired amount of ground actually required for the operation of such building in addition to the portion occupied by the building. Doors on all buildings shall be self-contained. No projection for the suspension or carrying of doors shall be permitted beyond the building line as established by the city.

All buildings erected upon the airport shall conform to the building code requirements of the city and be approved by the bureau of fire prevention. They must be of concrete masonry, metal, or other suitable and acceptable construction material, approved not only as to such material but also as to location at the airport by the airport commission.

When plans have been recommended by the airport commission and approved by the city council a lease may be then entered into at a rate prescribed by the airport commission and approved by the city council. (Ord. No. 449, Section 2, 10-27-69; Ord. No. 742, Section 1, 11-28-83.)

SECTION 6-3. NON-LIABILITY OF CITY.

The permission granted by the city council to use the airport and its facilities, or to fly to, or over the same, shall be at all times conditioned upon the assumption of full responsibility therefore by every person exercising or taking advantage of such permission. It shall be a further condition thereof that each person, as a consideration for the use of the airport and for its facilities, shall at all times release, hold harmless and indemnify the city, its agents and employees from any and all responsibility, liability, loss or damage resulting to any such person, or cause by or on his behalf, and incident to the manner in which the airport is operated, constructed or maintained or served from within or without, or used from without. The use of the airport by any person for any purpose, or the paying of fees therefore, or the taking off or landing aircraft thereon, shall be itself an acknowledgement that such person accepts such privileges on the condition herein set forth. (Ord. No. 449, Section 3, 10-27-69.)

SECTION 6-4. CERTIFICATES OF AIRWORTHINESS AND COMPETENCY AND STATE REGISTRATION REQUIRED; EXCEPTIONS.

Only aircraft bearing a currently valid airworthiness certificate, and airmen holding a valid certificate of competency for the type of aircraft being flown, as issued by the Federal Aviation Administration of the Department of Transportation and aircraft and airmen registered with the Iowa Aeronautics Commission and in conformity with the laws of the state, shall operate on, from and over the airport; provided, however, that this restriction shall not apply to public aircraft of the federal government, or of a state, territory or possession, or of a political subdivision thereof, or to aircraft licensed by a foreign country with which the United States has a reciprocal agreement covering the operation of such licensed aircraft. (Ord. No. 449, Section 4, 10-27-69.)

SECTION 6-5. NAVIGATION AND MAINTENANCE TO CONFORM TO FEDERAL AND STATE REGULATIONS.

No person shall navigate any aircraft over, land upon, or fly the same from, or service, maintain or repair any aircraft on the airport otherwise than in conformity with the requirements of the civil air regulations established by the Federal Aviation Administration of the United States, as amended, and such rules and regulations as may be enacted or amended by the aeronautics commission of the state. All such persons and said airport shall at all times comply with federal aircraft regulations and OSHA standards. (Ord. No. 449, Section 5, 10-27-69; Ord. No. 742, Section 1, 11-28-83.)

SECTION 6-6. REPORT AS TO ACCIDENTS.

Witnesses of and participants in accidents on or near the airport shall be requested to report to the administration office as soon after accidents as possible, leaving their names and addresses and rendering such reports as may be required. (Ord. No. 449, Section 9, 10-27-69.)

SECTION 6-7. FIRST-AID KITS.

The operator of each shop shall provide and be responsible for the constant maintenance of a suitable first-aid kit. (Ord. No. 449, Section 10, 10-27-69.)

SECTION 6-8. REPORT OF UNSAFE OR HAZARDOUS CONDITIONS.

All persons using the airport shall report any unsafe or hazardous conditions on the airport to the airport commission or to the fixed base operator who shall notify the city of such hazard. (Ord. No. 449, Section 11, 10-27-69; Ord. No. 742, Section 1, 11-28-83.)

SECTION 6-9. PILOT OR MECHANIC MUST BE IN COCKPIT.

No aircraft engine shall be started or run unless a licensed pilot or competent person is in the cockpit attending to the controls. (Ord. No. 449, Section 13, 10-27-69; Ord. No. 742, Section 1, 11-28-83.)

SECTION 6-10. NOT TO BE RUN IN HANGARS.

No aircraft engines shall be run in the hangars. (Ord. No. 449, Section 14, 10-27-69.)

SECTION 6-21. RIGHT-OF-WAY OF LANDING PLANE.

The landing airplane has the right-of-way over airplanes moving on the ground, or taking off, and shall land so that any such aircraft is at least three hundred feet away in a lateral direction, but this shall not excuse the pilots of either or both such aircraft from the exercise of due care and diligence. (Ord. No. 449, Section 16, 10-27-69.)

SECTION 6-12. RIGHT-OF-WAY BETWEEN TWO LANDING PLANES.

If two planes are ready to land at about the same time, the one flying at the higher altitude shall maneuver to avoid the other, but this shall not excuse the pilot of either or both such aircraft from the exercise of due care and diligence. At all times any aircraft in distress shall have the right-of-way. (Ord. No. 449, Section 17, 10-27-69.)

SECTION 6-13. LANDING AT SAFE DISTANCE FROM HANGARS, BUILDINGS, ETC.

Airplanes shall land and take off at a safe distance from hangars and other buildings, obstacles, areas reserved for spectators, and parking spaces for automobiles. (Ord. No. 449, Section 18, 10-27-69.)

SECTION 6-14. TAKING OFF IN MANNER TO AVOID HANGARS, BUILDINGS, ETC.

Airplanes shall not take off over hangars, buildings, obstructions, automobile parking areas or groups of spectators, unless strictly unavoidable. (Ord. No. 449, Section 20, 10-27-69.)

SECTION 6-15. EXERCISE OF DUE CARE.

Every person is cautioned to exercise due care and diligence and to maintain strict adherence to the rules set forth in the preceding sections. (Ord. No. 449, Section 20, 10-27-69.)

SECTION 6-16. TAXIING IN OR OUT OF HANGARS PROHIBITED.

No airplane shall be taxied into or out of hangars. (Ord. No. 449, Section 21, 10-27-69.)

SECTION 6-17. OPERATION OF AIRCRAFT UNDER INFLUENCE OF INTOXICATING LIQUOR.

No person shall take any aircraft from the landing area or hangars, or operate the same while under the influence of or using or having personal possession of, intoxicating liquor. (Ord. No. 449, Section 22, 10-27-69.)

SECTION 6-18. ACQUAINTANCE OF STUDENTS WITH RULES; RESPONSIBILITY FOR STUDENTS.

All persons instructing student pilots in flying on the airport shall fully acquaint such students with the rules and regulations in effect on the airport and shall be responsible for the conduct of such students while under their instruction. (Ord. No. 449, Section 23, 10-27-69.)

SECTION 6-19. MANNER OF PARKING UNHOUSED AIRCRAFT.

All unhousted aircraft shall be parked in the space designated for this purpose and shall be firmly secured to the ground by ropes and stakes, or otherwise, when left unattended or during weather conditions which indicate the necessity therefore. Owners of such aircraft shall be held solely responsible for any damage resulting from failure to properly comply with this rule. (Ord. No. 449, Section 24, 10-27-69; Ord. No. 742, Section 1, 11-28-83.)

SECTION 6-20. PARKING ON RUNWAY, TAXISTRIPS, ETC.

No airplane or other vehicle shall be parked on any runway, taxistrip, or any place other than the designated parking area. (Ord. No. 449, Section 25, 10-27-69.)

SECTION 6-21. MINIMUM INSURANCE REQUIREMENTS.

Each fixed base operator shall at his own expense carry and keep in full force and effect for the entire period covered by any written lease or agreement with the city and the airport commission, the minimum insurance on each of his aircraft engaged in air commerce from the Oelwein airport as required by Federal Aviation Regulations, and Civil Aeronautic Board Economic Regulations and any amendments to either or both of said regulations, currently requiring the following:

1. The minimum limits of liability coverage maintained by an air taxi operator who carries passengers in air transportation shall be:

A. Liability for bodily injury to or death of aircraft passengers. A limit for any one (1) passenger of at least seventy-five thousand dollars (\$75,000.00), and a limit for each occurrence in any one (1) aircraft of at least an amount equal to the sum produced by multiplying seventy-five thousand dollars (\$75,000.00), by seventy-five percent (75%) of the total number of passenger seats installed in the aircraft.

B. Liability for bodily injury to or death of persons (excluding passengers). A limit of at least seventy-five thousand dollars (\$75,000.00) for any one (1) person in any one (1) occurrence, and a limit of at least three hundred thousand dollars (\$300,000.00) for each occurrence.

C. Liability for loss of or damage to property. A limit of at least one hundred thousand dollars (\$100,000.00) for each occurrence.

2. Such fixed base operator shall also carry liability insurance naming the city and its officers and employees as additional insureds protecting the city from loss from each and every claim and demand of whatever nature made by or on behalf of any person or persons for any negligent, wrongful act or omission arising out of the use of the leased airport premises on the part of the fixed base operation lessee, his agents, servants, invitees and employees, such insurance to have limits of not less than the following:

A. One hundred thousand dollars (\$100,000.00) for personal injury to any one (1) person.

B. Three hundred thousand dollars (\$300,000.00) for personal injury in one (1) accident.

C. One hundred thousand dollars (\$100,000.00) for property damage. (Ord. No. 449, Section 26, 10-27-69; Ord. No. 742, Section 1, 11-28-83.)

SECTION 6-22. HOURS OF OPERATION OF FIXED BASE OPERATORS.

The fixed base operator shall conduct operations so that the public and the airport are provided essential services throughout scheduled hours of operation as established by Resolution of the City Council. (Ord. No. 449, Section 27, 10-27-69; Ord. No. 742, Section 1, 11-28-83; Ord. No. 1120, 6-26-2012.)

SECTION 6-23. PENALTY FOR VIOLATION OF CHAPTER.

Any person operating or handling any aircraft in violation of any of the provisions of this article, or refusing to comply therewith, may be promptly removed or ejected from the airport by or under the authority of the city council or airport and may be deprived of further use of the airport and its facilities for such length of time as may be required to insure the safeguarding of the same and the public and its interest therein. (Ord. No. 449, Section 28, 10-27-69; Ord. No. 742, Section 1, 11-28-83.)

SECTION 6-24. ENFORCEMENT.

All regularly constituted peace officers and the chief of police shall enforce this article. (Ord. No. 449, Section 29, 10-27-69.)

SECTION 6-25. PENALTY.

Anyone violating any of the provisions of this article shall upon conviction, be subject to imprisonment not exceeding thirty (30) days, or a fine not exceeding one hundred dollars (\$100.00). (Ord. No. 449, Section 30, 10-27-69.)

SECTIONS 6-26 - - 6-40. Reserved.

ARTICLE II

IN GENERAL

SECTION 6-41. AIRPORT ZONING COMMISSION.

1. In order to exercise the powers granted by Chapter 329 of the Code of Iowa, entitled “Airport Zoning” and to enact, administer and enforce zoning regulations in connection with airport hazards in the area of the Oelwein Municipal Airport, there is hereby established an Oelwein Airport Zoning Commission to adopt, administer and enforce zoning regulations in connection with such airport hazards at the Oelwein Municipal Airport, and for the purpose of preventing such airport hazards as may be appropriate in the area in question.

2. As authorized by Section 414.6 of the Code of Iowa, the Oelwein Plan Commission as created under Section 3-111 of the General Ordinances of the City of Oelwein, adopted July 28, 1969, under and pursuant to the provisions of the Code of Iowa and all amendments thereto, with membership therein as provided in Section 3-111 of said General Ordinances of the City of Oelwein, and all amendments thereto is hereby appointed as such Oelwein Airport Zoning Commission. Such commission shall have the powers and duties enumerated in Chapter 329 and 414 of the Code of Iowa, and all ordinances of the City of Oelwein enacted pursuant thereto. (Ord. No. 535, Section 1 and 2, 3-8-76.)

SECTIONS 6-42 - - 6-49 Reserved.

ARTICLE III

AIRPORT ZONING



To: Oelwein City Council

From: Dylan Mulfinger, City Administrator

Subject: Airport Fixed Based Operator Contract and Fuel Sales

Policy Date: 7/25/2022

The City Administrator is requesting direction from the City Council on two items that require council action. The process of fuel sales at the airport and the Fixed Based Operators' Contract at the airport.

Updated for July 25 meeting to include budget

Fuel Sales

Fuel sales at the airport have been administered by the FBO and the city has been responsible for the equipment and receiving a flow fee. The FBO performs the following:

- Ordering Jet A and low lead fuel
- Paying for fuel from the fuel companies
- Being present when fuel is delivered
- Monitoring fuel levels
- Collecting payment from the aircraft purchasing the fuel
- Monitoring the fuel system during crop spraying season
- Reporting any equipment malfunctions to the city
- Assisting in the refueling of airplanes

The city has collected the following for \$.10 flow fees:

- FY2018- \$4,218
- FY2019- \$5,175
- FY2020- \$4,528
- FY2021- \$6,202

The City Administrator acts as the Airport Manager. This requires the City Administrator to oversee the FBO and work with the Airport Board. The City Administrator recommended an upgrade to the fuel system that would allow for electronic payment at the pump. When the upgrade was complete, the city would take over purchasing fuel, but would continue to work with the FBO and allow them to sell the fuel at their rate. This would improve the tracking of fuel sales at the airport and would give a realistic picture of fuel sales to understand use at the airport. The city does not intend to take away sales from the FBO as fuel sales are part of the incentive for the FBO to work at the airport.

The fuel question and changes come from the recommendation of the airport board. Pulled from the April 21 minutes:

A conversation was had on fuel management once the new system is operational. The board realizes many details can't be sorted out until the system is in place, however, the general



consensus is as follows:

1. As this is a self-serve system, George wouldn't be burdened with fueling planes or collecting payment. The city would order and purchase the fuel, set the price and collect payments. This would eliminate George's markup and would result in more competitive fuel prices. This applies to 100 Low Lead only.
2. For Jet A, George would order and purchase the fuel and set the price. The city would collect payments and pay George with deductions for flow fee and administrative costs.
3. Direct pay accounts would receive a discount equal to the credit card fees.

The city is in favor of billing local accounts so that both parties can save money from credit cards fees. The city is also in favor of running the sales through the city as control of the fuel system would be the responsibility of the city. The City Administrator is not in favor of running the low lead fuel tank and setting prices. The City Administrator has outlined the following reasons he believes it is best to keep the low lead with the FBO:

- The FBO is most incentivized to keep the fuel competitive and make sales
- The city does not want to make weekly checks on the fuel and determine when an order is needed
- The city does not know demand for the fuel and does not want to keep a large quantity on hand during a slow season
- The city does not want to be present to receive the fuel when delivered
- The city does not want to take away this income from the FBO as the minimal amount of money will not have an impact of the city's budget, but will have an impact on the competitiveness of the FBO contract

The fuel system was supposed to operational fall of 2021. Delays in parts and coordinating between internet service providers, IT providers, and fuel management firms has resulted in significant delays. While the system is setup as of June 21, 2022, the city will have to have it remain on standby until the crop spraying season is over to ensure no disruptions will be made to the largest user of the airport. Council has time to get more information on the fuel process as a decision on the fuel does not have to be made until September. The City Administrator needs direction from Council on this decision as it will also affect the FBO's contract.

Geroge Tegeler is not in favor of the Airport Board's recommendation and will not sign a contract that separates the low lead fuels sales from the FBO.

Airport Revenue

Account Title	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2022	FY 2023
	Actual	Actual	Actual	Actual	Budget	Re-Estimate	Proposed
HANGAR RENT	19,090	16,163	16,707	15,987	16,000	16,000	16,000
LAND RENT	35,990	31,625	31,625	31,625	30,000	30,000	32,000
COURTESY CAR DONATIONS	241	84	29	0	100	100	100
ELECTRICAL REIMBURSEMENT	1,423	830	660	55	0	0	0



JET A/100LL FUEL REIMBURSEMENT	4,218	5,175	4,528	6,202	4,500	4,500	4,500
MISC	0	0	0	30,000	0	0	0
AIRPORT Total	60,961	53,876	53,549	83,869	50,600	50,600	52,600

Airport Expense

Account Title	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2022	FY 2023
	Actual	Actual	Actual	Actual	Budget	Re-Estimate	Proposed
SALARY	326	834	671	422	500	500	500
BUILDING	4,774	7,666	5,675	4,745	2,500	15,000	3,000
VEHICLE	105	553	1,018	298	1,500	1,500	1,500
COMMUNICATIONS	846	901	898	905	1,000	1,000	1,000
UTILITIES	5,597	5,407	3,684	3,944	5,500	5,500	5,500
CONTRACTS	36,010	36,730	37,465	34,600	35,700	35,700	36,414
EQUIPMENT	2,387	2,931	2,635	3,503	3,500	2,500	2,500
OFFICE SUPPLIES	489	588	195	731	500	500	500
BUILDING	0	0	0	0	0	0	0
PROPERTY TAXES	4,248	4,448	4,634	4,826	5,000	5,000	5,000
AIRPORT Total	54,782	60,059	56,876	53,974	55,700	67,200	55,914

FBO Contract

The FBO has a contract for services with the City of Oelwein. The FBO is paid monthly by their contract. The following shows the annual contract amounts:

- FY2018- \$36,010
- FY2019- \$36,730
- FY2020- \$37,765
- FY2021- \$34,600
- FY2022- \$35,700
- FY2023 (proposed)- \$36,414

The City Administrator is recommending a two percent increase in the FBO compensation and a one-year contract. Once the fuel sales are determined by City Council, the City Administrator recommends a longer contract with the FBO, two years or more.

The Airport Board has recommended no increase to the contract for the FBO based on contract performance.

The FBO's income comes from the city's contract, fixing aircrafts at the shop, and fuel sales. These three things provide compensation for the FBO. The city lowered the contract rate in 2021 because of budget cuts to general fund departments. The city negotiated a lower fuel flow fee from \$.15 to \$.10 and no longer charges utilities to the FBO shop. The increase in land rent at the airport has allowed the FBO contract to increase by two percent. The goal of past councils has been for the airport to break even and not cost the taxpayer a significant amount of money.



The contract requires the FBO to perform general maintenance, janitorial services, snow removal, and mowing. The city provides all equipment and fuel for these operations. Performance of the FBO has not been outstanding, but limited conversations that the City Administrator has had with only a handful of pilots provided some positive remarks of the FBO. There are also some local pilots who are unhappy with the FBO's performance. Finding an airport FBO that can fix planes and have them certified is a limited market. The City Administrator is satisfied with the performance of George Tegler.

Past councils requested the City Administrator investigate different options for airport administration. Research from this project showed that some airports have Airport Managers. These positions are full time and paid for by the city. Other airports hire out companies to perform these operations and this allows for flight instructions and other amenities. The City Administrator reached out to these companies, but no further progress was made.

The City Administrator understands the airport is not the most popular department as it sits outside the city and most council members do not own a plane or interact on a regular basis with the airport. The city receives significant federal funds for the airport and is one of the better small airports in Northeast Iowa.

With this information being presented, the council will have to take into consideration the Airport Board's recommendation and the City Administrator's recommendation. Should council want to put more time into the airport, the City Administrator will have to start making it a priority over other projects. The City Administrator looks forward to working with Council on the fuel sales and FBO contract.

FBO Contract and Fuel Sales 2022 - 2023

We are asking, as requested by City Manager Dylan Mulfinger, the 2022-2023 FBO Contract be increased by 2% from \$35,292. to \$35,998.

We are also in agreement with Dylan that we would keep control of fuel sales, both Jet A and Low Led (Avgas) as in the past.

The Credit Card System is being installed and once it is up and running we understand the following **differences** will occur:

All fuel sales will be ran through the credit card system.

All proceeds from the fuel sales will be in the City's account.

The city will cut a check to Tegeler Aviation at the end of each month for the profit split agreed on.

The following procedures will **remain the same**:

Tegeler Aviation will:

- continue to monitor fuel equipment daily and make minor repairs as needed.

- continue to monitor fuel equipment daily and call for major repairs needed.

- lock and unlock pumps when necessary.

- accept phone calls at all hours to assist Pilots with the use of the pumps

- monitor the quantities of the fuels and call for pricing to 2-4 vendors for the current best price

MONITORING the fuel quantities during the spray season is an hour by hour job as the planes take thousands of gallons of fuel in a small period of time. We get trucks at times on a daily basis.

- call local airports as to whether they are getting fuel as to share a tanker to get a better price.

- meet and help the trucker/tanker deliver fuel and fill the tanks at all hours of the day or night.

- keep peace amongst the Spray Plane companies as to parking/fueling/maintenance.

- continue to set the fuel sale price and include the city's percentage in doing so.

All other items in the current contract are fine as written.

Respectfully Submitted,
Tegeler Aviation, LLC
George Tegeler



Oelwein Municipal Airport FBO Lease July 1, 2021 to June 30, 2022

THIS AGREEMENT, made and entered into the date executed below, between the City of Oelwein, Iowa, hereinafter referred to as the Lessor, and George J. Tegeler, d/b/a Tegeler Aviation, LLC, hereinafter referred to as Lessee.

WHEREAS, Lessor owns and operates the Oelwein Municipal Airport and the Lessor is willing to lease to the Lessee certain premises hereinafter more fully described and located on said airport upon the terms and conditions and stated herein;

WHEREAS, the said leased premises may be used for the operation of a flight training school, aircraft maintenance and repair, aircraft charter, aircraft sale and rental, and sales of aircraft gasoline and oil. Lessee may also conduct his business on premises relating to sales and services of aircraft, and building and constructing various makes and models of experimental aircraft. Lessee, at Lessee's option, may conduct additional business activity on the leased premises, which is permitted by, or not prohibited, by law and expressly approved in writing, in advance, by the Lessor upon a written proposal submitted by Lessee. Lessee must keep 100 Low Lead and Jet A fuel on hand for resale to local and transit aircraft, or as allocated, and have fuel service available from 8:00 a.m. to 5:00 p.m. Monday through Friday and as requested or deemed necessary and,

WHEREAS, under the terms of the Lease, the Lessee shall be responsible for operating a base radio and communications equipment, which is located in buildings that Lessee occupies, at all times from 8:00 a.m. to 5:00 p.m. Monday through Friday and as requested or deemed necessary.

NOW THEREFORE, in consideration of the rent, covenants and agreements herein contained, Lessor does hereby lease to Lessee, maintenance hangar and an office in the Terminal Building.

1. Compensation for grounds keeping paid to FBO is \$2,941.00 per month (\$35,292.08 annually) from July 1, 2021 thru June 30, 2022. Said amount to be payable to Lessee monthly with the amount being due by last day of each month. It is understood that the designated office space is for the exclusive use of the fixed base operator, but the public lounge and restroom area in the administration buildings are public use facilities.

- A. Lessee shall provide for and supply at its expense all janitorial and custodial service with respect to the buildings and facilities associated with the leased premises and shall maintain all premises in a clean and accommodating appearance for persons using the same during normal hours of operation or when requested or necessary, except that Lessor shall supply janitorial supplies for the public lounge (designated room A) and restroom areas in the administration buildings herein designated as public-use facilities.
- B. Lessee shall attend to necessary maintenance, involved in keeping runways, and adjoining areas, taxi-ways and lawn areas mowed, and free of snow as required, provided Lessor will furnish equipment and fuel for mowing and snow removal.
- C. Lessee shall provide labor for basic preventive maintenance and repairs on buildings, facilities, grounds and equipment. Any major repair, rebuilding or alteration, including painting, seeding, overhauling, building or similar matter shall be the responsibility of Lessor as listed in the FBO contract duties.
- D. Lessee shall enforce any rules or ordinances of the City applicable to the Oelwein Municipal Airport.



2. The term of this Lease shall be for the period commencing at midnight on July 1, 2021 through to and ending at midnight on June 30, 2022.

3. Lessee shall maintain a log of all airport activity. Lessee shall report as needed to Lessor through the City Administrator or his designee all important, unusual and otherwise pertinent information. Failure to provide the report to the City will result in delay of monthly compensation. Lessee shall attend the Airport Board meetings and submit an activity report including, but not limited to: the number of take-offs and landings, identity of businesses using the airport facilities, type of aircraft (single twin or jet), and all other activities. Lessee shall also have an attendant present, Monday through Friday, between the hours of 8:00 a.m. and 5:00 p.m. Lessee shall comply with the courtesy car and FBO protocol incorporated herein by this reference and attached marked as Exhibits A and shall provide all drivers with Exhibit B.

4. It is hereby agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right prohibited by Section 208 of the Federal Aviation Act of 1958, as amended, and the Lessor reserves the right to grant to others the privilege and right of conducting activities of an aeronautical nature.

5. Insurance. The Lessee shall purchase and maintain such insurance as will protect it from claims set forth below which may arise out of or result from the Lessee's operations under the Contract, whether such operations be by himself or by a subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. All such insurance shall be subject to the approval for the City for adequacy of protection, and shall include a provision preventing cancellation without thirty (30) days' prior notice to the City in writing.

A. Liability Insurance Requirements. The Lessee shall procure and maintain, at its own expense liability insurance as hereinafter specified. The liability insurance required is as follows:

1. Commercial General Liability Insurance issued to the Lessee and protecting it from all claims for personal injury, including death and all claims for destruction of or damage to property arising out of or in connection with any operation under his Contract, whether such operation be by himself or by a subcontractor under him, or anyone directly or indirectly employed by the Lessee or by a subcontractor under him, or by anyone for whose acts any of them may be liable.
 - All such insurance shall be written with a limit of liability of not less than \$1,000,000 for all damages arising out of one occurrence for bodily injury, including, death, and property damage. The General Liability policy should have a general aggregate limit of \$2,000,000 for all damages and a products completed operations aggregate of \$2,000,000 for all damages.
 - All such insurance shall be written on a comprehensive policy form and shall specifically cover products and completed operations. Certificates evidencing the issuance of such insurance, addressed to the City, shall be filed within ten (10) days after the date of the execution of the contract.
2. The policy shall include the City as an additional insured. The insurer shall give the City notification of any cancellation or termination by refusal to renew the policy or of any change in coverage of the policy or of any change in coverage of the policy in the manner provided by law. If no such notification is provided by law, the insurer shall give the City at least thirty (30) days' prior written notification of any cancellation or termination by refusal to renew the policy



or of any change in coverage of the policy.

- B. Workers' Compensation Insurance. The Lessee shall maintain at his own expense Workers' Compensation Insurance, including occupational disease provisions, covering the obligations of the Lessee in accordance with the provisions of the laws of the State of Iowa. The Lessee shall furnish the City with a certificate giving the evidence that the Lessee is covered by the Workers' Compensation Insurance herein required, each certificate specifically stating that such insurance includes occupational disease provisions. This policy should also include Employer's Liability Insurance with minimum limits of \$500,000 each accident for bodily injury, \$500,000 each accident for bodily injury by disease, and \$500,000 policy limit for bodily injury by disease.

6. Special Provisions. All liability policies which include the City as an additional insured shall include a Governmental Immunities Endorsement pursuant to Chapter 670.4 of the Iowa Code, which endorsement shall include the following provisions:

- A. Nonwaiver of Government Immunity. The insurance carrier expressly agrees and states that the purchase of this policy and including the City as an Additional Insured does not waive any of the defenses of governmental immunity available to the City under Iowa code Section 670.4 as it now exists and as it may be amended from time to time.
- B. Claims Coverage. The insurance carrier further agrees that this policy of insurance shall cover only those claims not subject to the defenses of governmental immunity under Iowa Code Section 670.4 as it now exists and as it may be amended from time to time.
- C. Assertion of Government Immunity. The City shall be responsible for asserting any defense of governmental immunity, and may do so at any time and shall do so upon the timely written request of the insurance carrier.
- D. Non-Denial of Coverage. The insurance carrier shall not deny coverage or deny any of the rights and benefits accruing to the City under this policy for reasons of governmental immunity unless and until a court of competent jurisdiction has ruled in favor of the defense(s) of governmental immunity asserted by the City.

7. Lessee agrees to observe and obey reasonable rules and regulations with respect to the use of the premises; provided, however, that such rules and regulations shall be consistent with safety and with rules, regulations and orders of the Federal Aviation Administration with respect to aircraft operations at the airport; and provided further, that such rules and regulations shall not be inconsistent with the provisions of this agreement or the procedures prescribed or approved from time to time by the Federal Aviation Administration with respect to the operation of Lessee's aircraft at the airport. Lessee and all of its employees, agents and servants will faithfully observe and comply with all rules and regulations as may be promulgated by the Lessor, the United States of America or any Department or Agency thereof, and the State of Iowa.

8. Lessee shall not assign, sublet nor hypothecate this Lease without the written consent of the Lessor, except that said Lease may be assigned by Lessee to any corporation owned by, or that in which it may become shareholder of, but such assignment shall not relieve or release the Lessee from the terms and obligations of this Lease insofar as the Lessor is concerned.

9. Lessee agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not discriminatory prices for each unit of service; provided the Lessee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.



10. Lessor agrees to pay for lights, "T" hangar lights, wind sock light, wind "T" lights, security lights, repair and maintenance radio and communications equipment at the airport.

11. Lessor reserves the right to maintain and keep in repair the landing area of the airport and all publicly owned facilities of the airport, together with the right to direct and control all activities of the Lessee in this regard.

12. Lessor reserves the right to seek Federal and/or State funds to develop and improve the landing area and all publicly owned air navigation facilities of the airport as it sees fit and without interference or hindrance from the Lessee.

13. Lessor reserves the right to take any action it considered necessary to protect the aerial approaches of the airport against obstructor, together with the right to prevent Lessee from creating, or permitting to be erected, any building or other structure on the airport which in the opinion of the Lessor would limit the usefulness of the airport or constitute a hazard to aircraft.

14. During time of war or national emergency Lessor shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area and publicly owned air navigation facilities and/or other areas or facilities of the airport. If any such agreement is executed, the provisions of this instrument, so far as they are inconsistent with the provisions of the agreement with the Government shall be suspended.

15. This agreement shall be subordinate to the provisions of any outstanding agreement between Lessor and United States relative to the maintenance, operation or development of the airport.

16. The Lessee will not, on the grounds of race, color, or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 15 of Federal Aviation Regulations. The Lessor reserves the right to take such action as the United States Government may direct to enforce this covenant.

17. The Lessee agrees that no signs or advertising material shall be placed or erected upon the leased premises without the prior written consent of the Lessor.

18. Lessee shall not use City vehicles or equipment for personal use.

19. In consideration that the aircraft fuel system is provided to the Lessee at no cost, the Lessee agrees to submit an invoice, as needed, of his cost of the fuel purchased for approval of his proposed retail price. As demand dictates Lessee will provide aircraft maintenance, aircraft rental and flight training. Lessee will pay Lessor flow fee of \$.10 per gallon for all aircraft fuel and Jet A fuel pumped. Lessor agrees to pay losses incurred on Jet A fuel up to 1000 gallons if fuel age extends beyond one year from last Jet A purchase date. Lessee will provide a report each month on the fuel usage and will provide payment to the city on the last day of each month for the flow fee.

20. When the city installs new gas pumps for the Oelwein municipal Airport, all fuel operations will run through the City of Oelwein. Tegeler Aviation will have the authority to order fuel and set the price of fuel. Tegeler Aviation will notify City Hall of each order and will notify them of the current rate. City Hall will issue a check each month of fuel proceeds to Tegeler Aviation. The City will track all amounts of fuel purchased and sold at the Oelwein Municipal Airport. The flow fee will be taken out of the payment to Tegeler Aviation and Tegeler Aviation will not be required to reimburse the City.

21. Lessor reserves the right to enter upon the leased premises at a reasonable time for the purpose of making any inspection it may deem expedient.

22. This Lease may be terminated for non-compliance of FBO Operations at any time hereafter by either party giving the other one hundred (180) days' notice of intention to so terminate the same, or this notice shall be by registered mail. This Lease may not be assigned without the written consent of the opposite party affected thereby. If the city fails to provide a renewal to the contract before June 30, 2021 the contract will proceed month to month with no adjustments in compensation.



23. At the expiration or termination of this lease, the Lessee agrees that it will give peaceful possession of the leased premises in as good condition as they now are, ordinary wear and tear excepted.

24. Lessee will provide a report monthly to the Airport Board and the City Administrator on the activities of the airport.

25. This agreement shall extend to and be binding upon the heirs, executors, administrators, trustee, successors, receivers and assigns of the parties hereto.

Dated at Oelwein, Iowa, this ____ day of _____, 2021.

CITY OF OELWEIN, IOWA

TEGELER AVIATION, LLC

By: _____
Brett DeVore, Mayor

By: _____
George J. Tegeler

NOTE: The intent of this Contract is to be an Agreement between a Lessor and Lessee. It is not to be interpreted as an employer, employee relationship and shall not be construed by anyone as such.

To: Oelwein City Council

From: Greg Bryan, Airport Advisory Board Chairman

I am in receipt of The City Administrator's 6/27/2022 letter to The City Council regarding airport items.

As last year, The Board has not approved a compensation increase for the FBO. Our decision is based on several factors that include the FBO's performance, services offered, facilities provided for his use and comparisons with other airports. The Board stands firm on this recommendation.

The City Administrator's letter indicates that last year the FBO received a contract pay increase of \$1,100, lowered the fuel flow rate and paid utilities for the hangar shop that his repair business operates in. The Board was not consulted with or informed of these decisions that are contrary to our recommendation.

The Board's recommendation on the fuel system is based on the following points:

Jet A

The crop spraying operation is the largest user of jet A. This requires the FBO's management.

The FBO should purchase the fuel and be paid funds collected by The City less an established flow rate.

AV Gas

Self – service does not require management that would entitle the FBO compensation

The City will be capable of monitoring the fuel levels within the fuel program

The City can order fuel as other cities without FBOs do

The Board is adamantly against the FBO selling fuel that was purchased with public money

Speaking for the board, I request The Council to consider postponing action on the FBO contract to allow The Board to reevaluate the FBO's contract and review the new fuel system.

The Airport Advisory Board's members are a diversified group with expertise in many different areas. We are focused on serving the community by our positions on this board as ordained by the City code. Unfortunately The City Administrator does not respect The Board's authority. He has repeatedly excluded The Board from matters we are responsible for. At this point The Board's level of mistrust with the City Administrator is irreparable.

