



## **Agenda**

City Council Work Session Meeting  
Oelwein City Hall, 20 Second Avenue SW, Oelwein, Iowa  
6:30 PM

July 24, 2023  
Oelwein, Iowa

---

**Mayor:** Brett DeVore

**Mayor Pro Tem:** Lynda Payne

**Council Members:** Karen Seeders, Tom Stewart, Matt Weber, Dave Garrigus, Dave Lenz

---

### **Pledge of Allegiance**

#### **Discussions**

- [1.](#) Discussion on the FBO contract.
2. Discussion on the fuel services at the Oelwein Municipal Airport (OLZ).
- [3.](#) Depot Park Change Order Discussion.

### **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, City Administrator  
Subject: Airport Fixed Based Operator (FBO) and Fuel Sales  
Date: 7/24/2023

---

With credit card access going online at the airport the city council must make some crucial decisions. Recently, the airport has been a major focus of the city council with joint meetings and several discussions on the fixed-based operator. Below is a timeline provided to council to understand where we are at with the airport:

December of 2021 the City signs up for a new fuels system.

March of 2021 the new fuel system is installed, company states that the credit card will be delayed.

July of 2022 the City Council and the Airport Board meet to discuss the Fixed Based Operator (FBO) and fuel. No direction was provided to the City Administrator by the Council.

June of 2022 the City Administrator requested the airport board provide a recommendation on fuel. No action was taken.

November of 2022 Council voted unanimously to approve a one-year contract of the FBO for June 2022 to July of 2023. 11 members of the public spoke in support of the FBO.

February of 2023 council met jointly with the Airport Board. The only members in attendance were Greg Bryan and Ken Woodraska. No direction was provided to the City Administrator by the Council.

February of 2023 City Council did not consider the recommendation from the Airport Board to eliminate funding the Fixed Based Operator Position at the Oelwein Municipal Airport. The motion had a first, but died for a second. No direction was provided to the City Administrator by the Council.

April of 2023 Airport Board President responds that the Airport Board's recommendation of defunding the FBO position remains unchanged.

What does council need to discuss:

1. Does the council want to change the FBO contract?
2. Does the council want to change the process on fuel at the airport?

What does Council need to decide on:

1. The council should approve an FBO contract as the current one is expired.
2. The council should provide direction on fuel so staff can implement a new plan.
3. The council should also consider why they have the airport and the level of service they want to provide.
  - a. The more you put into the airport the more you get out of it.



## The Contract

Some issues with the FBO occurred this year. One was that the board complained that the terminal was not being kept clean. This has been resolved. The FBO provides logs of airport activity when asked, but not as required by their contract. The FBO used city owned equipment to load a plane for an airport user. This issue was addressed. Even though the FBO was a major discussion of the Airport Board this year, numerous airport users still talk highly of his service and appreciate his help on their airplanes. The City Administrator feels that the current FBO does a good job for the airport and should be offered a contract renewal. If the council wants to move past the annual discussion, a two percent increase each year for three years is recommended by the City Administrator.

| FY2023       | FY2024       | FY2025       | FY2026       |
|--------------|--------------|--------------|--------------|
| \$ 35,997.84 | \$ 36,717.80 | \$ 37,452.15 | \$ 38,201.20 |

## The Fuel

The city now has the capabilities to charge for fuel with a credit card. The current system for fuel sales is managed by the FBO. The FBO orders the fuel, sets the prices, collects from the customer, and checks the system daily. The city pays for all maintenance of the system. The city takes a 10-cent flow fee from the FBO. While discussions for bigger tanks have taken place, the city will not be in a financial position to upgrade the tanks at any time.

In previous council meetings the City Administrator recommended changing the process to:

- City buys fuel
- FBO sets prices
- Customer pays the city
- City cuts a monthly check to the FBO

The Airport Board was not in favor of this new process as some did not want the FBO to make money from fuel sales the FBO did not purchase. The city does not want to be in the fuel business because of the sporadic demand from the crop spraying businesses. If the city must fully monitor the fuel system, the city will not have the staff to provide adequate fuel to the crop spraying businesses. The fuel sales are also a large incentive for the FBO. The city cannot capture the revenue that the FBO makes on fuel because the city would not be able to supply the crop spraying businesses in the same capacity as the FBO.

The City Administrator recommends changing the fuel management but keeping the incentive for the FBO. Once the current FBO retires that city can evaluate the process and negotiate with the next FBO.

|  | Quantity          | Unit Price | Total       |  |
|--|-------------------|------------|-------------|--|
| Foundation and Rubble Removal  |                   |            |             |  |
|  |                   |            |             |  |
| Labor additional excavation (cy)   | 835.00            | \$20.00    | \$16,700.00 | Such large debris/foundations were discovered that the edge of the excavation ended up within 5 ft of the N Curb and 7 ft from the S Curb. Please see the "CO#4 Supplementary Information" attachment for additional information on overall excavation size and photos. This number was reduced from the previous submission since previously it did not have the base bid excavation volume subtracted out. |
| Hauling off site (load)  | 32.00             | \$180.00   | \$5,760.00  | Roughly 16 CY can be hauled per trailer dump, some loads were missed in the previous submission but we will maintain our previous number since it was our error  |
| Material cost Class A roadstone (ton)  | 1096.07           | \$11.25    | \$12,330.79 | No class A roadstone was called for on the base bid documents for backfill. Soils on site were to be used. All materials excavated and hauled off site were backfilled with this material thus this volume is greater than the additional excavation volume in line item 2a  |
|  |                   |            |             |  |
| Haul onsite of Class A roadstone (ton)                                       | 1096.07           | \$6.00     | \$6,576.42  | Excel cell selection error, quantity in item 3 should match hauling quantity in item 4a  |
| Placement/compaction of Class A backfill (hr)                                | 70                | \$160.00   | \$11,200.00 |  |
| Compaction testing and re-staking (ls)                                       | 1                 | \$2,500.00 | \$2,500.00  |  |
| Material cost 1" clean drainage rock in bottom of crawlspace, 6" depth (ton) | 23.84             | \$13.15    | \$313.50    | Ticket Included in "CO#4 Supplementary Information" attachment   |
|  |                   |            |             |  |
| Haul onsite 1" clean for crawlspace (ton)                                    | 23.84             | \$6.00     | \$143.04    |  |
| placement of 1" clean machine (hr)   | 4                 | \$160.00   | \$640.00    |  |
| placement of 1" clean man (hr)   | 8                 | \$75.00    | \$600.00    |  |
|  |                   |            |             |  |
|  | Sub Total         |            | \$56,763.74 |  |
|  |                   |            |             |  |
|  |                   |            |             |  |
|  | Overhead & Profit | 17%        | \$9,649.84  |  |
|  |                   |            |             |  |
|  | Bond/ins          | 2%         | \$1,328.27  |  |
|  |                   |            |             |  |
|  |                   | Total      | \$67,741.85 |  |