

**MINUTES
REGULAR AIRPORT COMMISSION**

JULY 25, 2012

Chairman Bert Stanley called the meeting to order at 5:00 p.m. Commission members present were Larry Bollman, Gene Beavers, and Steve Brown. Phil Bailey and Ron Mergen were absent. Others present were Renee Eckerly, City Administrator, Chuck DeWolf, Bolton & Menk, Inc.; Stephanie Hormann, Cable Coordinator; Tim Mahoney, and Walter Morehouse.

Motion was made by Brown to approve the minutes from the April 25, 2012 Airport Commission Meeting. Seconded by Bollman and unanimously carried.

CIP

Eckerly reported that Mergen is still researching costs to acquire the land. Mergen is concerned on how the City is going to obtain their portion of \$293,300.00 when they are currently budgeting for \$15,000.00 per year. DeWolf reported that when the City met with the FAA and MnDOT after last year's CIP, they felt that acquiring the land for additional hangars was a high priority project. A new project to rehabilitate the fuel system is important because of issues with the fuel card system. Updating the zoning is on the 2013 CIP which will utilize some of the money the City owes the State. DeWolf also talked about projects that are being designated in future CIP's.

The Commission also discussed a beacon for the Airport and it was stated that it doesn't seem like something that needs to be done right away. Morehouse asked about a beacon near Willmar and if that could be an option for Paynesville. The Commission questioned if this beacon still works since Willmar got a new one. The Commission asked DeWolf and Mergen to check into it and research if they can find an economically priced beacon elsewhere if it doesn't work out.

Motion was made by Bollman to approve the Airport CIP and recommend such to the City Council. Seconded by Brown and unanimously carried.

ZONING

DeWolf reported that the reason the zoning needs to be updated is because of the update to the ALP and that zoning is usually updated every seven years. He also stated that this is identical to the previous proposal and they would not do the Comprehension Review, which causes the fee to go down \$4,000. Eckerly reported that this would go to the Airport Zoning Board in October.

Motion was made by Beavers to approve the Engineering Proposal from Bolton & Menk, Inc. in the amount of \$36,000.00 to update the Airport Zoning and agreement for such and recommend such to the Airport Zoning Board. Seconded by Bollman and unanimously carried.

HANGAR RENTAL RATES

Eckerly reported that the City's hangar insurance went up \$6,000.00 because of the new hangar and the City would like to increase the rent to make up for that increase. The Commission discussed this and the lease contract wording changes to a lease. The City has to notify tenants of changes in the lease 90 days prior to their anniversary date. Most of the leases don't come due until 2013 or 2014. The Commission also discussed adding a clause to the lease stating that rent may go up because of an increase in insurance in the future.

The Commission had concerns about the large increase of \$25.00 and wants to have Eckerly and Mergen research other insurance companies to see if they can get a better deal before approving this.

FUEL PRICING POLICY

The Commission asked to table this to find out the total number of gallons the City projects to sell and what the difference is in going to \$.40 or \$.50 and the impact on projected revenue. It was mentioned that some pilots like to stop in Paynesville because our fuel is less expensive and we don't want them to stop coming. It was stated that with both increases would bring the budget close to even. The Commission asked that this be kept on the agenda and that Eckerly and Mergen run spreadsheets on what a \$5.00-\$25.00 increase on rent and \$.37-\$.50 increase on gas would do for revenue and the budget. The Commission inquired about the amount Mergen suggested. Eckerly reported on \$.40 per gallon.

Motion was made by Brown to approve the increase in the fuel mark up price from \$.31 to \$.40 per gallon and recommend such to the City Council. Seconded by Beavers and unanimously carried.

2012 FLY-IN

The task list was reviewed and updated. Eckerly reported that the flight simulator had been cancelled and there will be no car show. Stanley mentioned advertising the silent auction. Morehouse stated that he had gotten Leighton Broadcasting to do free advertising for the Fly-In and they might be at the event with a tent. He also brought up the idea about having hot dogs/pop/chips available for a fee after the first show. The breakfast would not change the; just add this in for later. He suggests having people pay separate for this and have the money go directly to the Airport. The Commission thought it was a good idea and agreed to go along with it.

SLURRY SEAL- UPDATE

DeWolf reported that the project is substantially complete.

PAPI's & REIL's- UPDATE

DeWolf reported that the City is waiting on the FAA grant. The contractor is prepared to wait until after the Fly-In to start the project.

LETTER ABOUT LOW-FLYING PLANE

The Commission would like Mergen to get the registration numbers of the low-flying plane and go through the FAA for the proper procedures.

There being no further business, the meeting was adjourned at 5:56 p.m.