



To: Oelwein Airport Board

From: Dylan Mulfinger, City Administrator

Subject: Airport Fixed Based Operator Contract and
Fuel Sales

Policy Date: 6/16/2022

The City Administrator is requesting direction from the airport board on the FBO contract and fuel services at the airport.

The City Administrator is not interested in setting prices for fuel or managing the system. The city prefers the current process where George Tegeler administers the system and makes money by taking care of this service for the city. While the city will run the purchasing and sale of fuel through the new city system, this was not intended to change the current process. The city understands that Tegeler profits from this fuel which helps keep his business at the airport. Removing this incentive for the fixed based operator (FBO) may jeopardize the current agreement and could lead to the city seeking a new FBO.

The City Administrator requests to the Airport Board to reconsider their recommendation of fuel sales. The new fuel system was brought in to make it easier for local pilots and visiting pilots to fuel up their airplanes. The new fuel system was not intended to start generating a profit for the city at this time. The City Administrator hopes to keep Tegeler at the airport for the foreseeable future and then evaluate the airport FBO contract should Tegeler retire.

Items that the Airport Board should also provide feedback on in the FBO contract are grounds, facilities cleaning, compensation, and performance. Feedback from the board will help the city ensure that the contract is being followed. The city can then provide direction to George on what needs to be improved and what is going well to the FBO. The City is currently proposing a two percent increase in the FBO contract as the same in last year's contract.

The City Administrator plans to bring Tegeler's contract to the June 27 City Council Meeting. Feedback from the Airport Board is essential to help the City Council make their final decision.