## Oelwein Airport Advisory Board FBO Contract Review

## FBO Compensation FY23

Contract 35,292

Shop Hangar Rental Value 6,000

Electric Reimbursement 600

Profit From Fuel Sales – Unknown (markup amount not provided)

Total FBO Compensation minus Fuel Sale Profit \$41,892

FY 23 Revenue Budget \$52,600

FBO Portion of Airport Revenue 80%

At the 9/15 board meeting in a discussion of providing flight training, member Bagge correctly put in perspective, flight training is unaffordable. Whether we like it or not, our culture is constantly changing. Services we've been provided in the past are no longer practical, but with the help of technology, life goes on.

The role of a full time FBO has also changed over the years. A few of the services once offered that are no longer available are aircraft rental, flight instruction, biannual flight reviews, crew car maintenance/repair. The self-serve fuel system will require less labor. The in cockpit ability to access airport information and internet access with smart phones have been game changers for general aviation. Attendance at small airports is no longer expected, and seldom required. The airport functions as it should on weekends and after hours.

As a responsibility of this board's appointment, the FBO position should be evaluated. The City's desire that the airport maintain a balanced budget leaves little revenue for facility maintenance or improvements after FBO expenses. Seal coat is needed to preserve the asphalt paving, the fuel system will need tank and pump upgrades along with other projects to maintain the infrastructure. For FY23 there is \$3,000 budgeted under building. Is an FBO affordable?

## Proposed Alterative to FBO Contract

- 1. Shop Hangar, terminal office space lease and fuel sales shall be advertised for bid
  - a. Hangar must be used for aircraft storage, or repair.
  - b. Lessee to provide janitorial services to terminal building
  - c. Lessee to pay hangar utilities
  - d. Lessee will provide a computer and pay all subscription costs related to fuel system.
  - e. Lease to be for 3 years
  - f. Lease to be awarded to high bidder based on lease amount and a fuel flow amount based on 45,000 gallons to be paid to Lessor annually
- 2. Mowing, Snow Removal and Maintenance
  - a. Airport equipment will be provided
  - b. A part time person to be hired. With the relatively flexible schedule, this would be ideal for a retired person wanting to subsidize their income.
  - c. Or The City provide staff

## Estimated Cost/Income from Proposed Alterative to FBO Contract

1.	Shop Hangar Lease - \$500 month	6,000
2.	Additional Fuel Flow Fee*	4,500
3.	Mowing, Snow Removal and Maintenance Labor 300 Hours** @ \$20	- 6,000
4.	FBO Contract Credit	<u>35,292</u>
	Total Additional Annual Income from Proposed Alterative to FBO Contract	\$39,792

\*\* Labor amount based on tractor hour meter - 150 hours annually

Other mowing, snow removal, weed control 40 hours

Maintenance 110 hours

<sup>\* 4,500</sup> Gallons @ .20 (.10 over current fee of .10)