

CITY OF RICHLAND CENTER, WISCONSIN

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE DIRECTOR OF PUBLIC WORKS AND CITY ADMINISTRATOR TO ESTABLISH AND ADJUST AVIATION FUEL PRICES AT THE RICHLAND CENTER MUNICIPAL AIRPORT (93C)

WHEREAS, the City of Richland Center owns and operates the Richland Center Municipal Airport (93C), including the airport fuel farm, and supplies aviation fuel to airport users; and

WHEREAS, the cost the City pays for aviation fuel fluctuates with the market, and fuel prices must be adjusted on an ongoing and timely basis to keep pace with the City's replacement cost and to avoid selling fuel below cost; and

WHEREAS, the frequency and timing of fuel price changes make case-by-case Council action impractical, and the Common Council finds it in the City's interest to delegate routine pricing authority to staff under a defined pricing standard; and

WHEREAS, City staff have prepared a Standard Operating Procedure for Airport Fuel Pricing and Fuel Farm Management, which is presented to the Common Council for its information, and which sets out the operational steps, inventory monitoring, recordkeeping, and staff responsibilities for carrying out the pricing standard adopted by this resolution; and

WHEREAS, the Common Council intends to establish the policy and pricing standard governing airport fuel sales while leaving the operational and procedural means of implementing that policy to the administration.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Richland Center, Wisconsin, as follows:

Section 1. Pricing Policy. The City shall operate the airport fuel farm to provide a reliable fuel supply for airport users on a financially sustainable basis. Aviation fuel pricing shall be established to recover the City's cost of fuel acquisition, support fuel farm operations and maintenance, fund required inspections and regulatory compliance, and contribute toward future equipment replacement. The City shall maintain competitive pricing relative to comparable Wisconsin general aviation airports within the region, as further provided in Section 2, and shall under no circumstances sell aviation fuel below the City's replacement cost.

Section 2. Pricing Standard. Aviation fuel shall be based on the current replacement (delivered) cost per gallon plus a markup of \$1.00 per gallon. This pricing standard shall govern the establishment and adjustment of posted fuel prices.

(a) Competitive Adjustment – Downward. To remain competitive with the posted fuel prices of comparable Wisconsin general aviation airports in the region, the Director of Public Works and the City Administrator may reduce the per-gallon markup below \$1.00; provided that the markup shall never be less than \$0.25 per gallon over the City's current or replacement cost, whichever is greater.

(b) Competitive Adjustment – Upward. If application of the \$1.00 markup would result in a posted price below the average posted price of comparable regional airports, the Director of Public Works and the City Administrator may increase the markup above \$1.00, regardless of replacement cost, so that the City's posted price is not undercutting the regional average price.

The adjustments authorized in subsections (a) and (b) are adjustments to the posted price under the pricing standard and do not constitute an amendment to the \$1.00 markup standard itself; no further Council action is required to make such adjustments. The markup amount standard in this Section may be changed only by subsequent action of the Common Council.

Section 3. Delegation of Pricing Authority. The Common Council hereby authorizes the Director of Public Works and the City Administrator to establish and adjust posted aviation fuel prices in accordance with the pricing policy and pricing standard set forth in this resolution, without the need for further Council action on individual price

changes. This authorization includes the authority to make routine price adjustments as the City's replacement cost and market conditions change.

Section 4. Implementation by Administration. The manner, methods, frequency, documentation, inventory monitoring, recordkeeping, and assignment of staff duties used to carry out this resolution shall be determined by the administration through the Standard Operating Procedure and other operational guidance, which may be amended administratively from time to time. The Standard Operating Procedure presented herewith is provided for the Council's information and does not require Council adoption; nothing in this resolution shall be construed to vest the Common Council with authority over the operational or procedural details of fuel farm management, provided such operations remain consistent with the policy and pricing standard adopted by this resolution.

Section 5. Limitation. Nothing in this resolution authorizes the sale of aviation fuel below the City's replacement cost, nor a deviation from the pricing standard in Section 2 (including the competitive adjustments in Section 2(a) and (b)) except as the administration may permit on a limited basis to recover existing inventory costs in declining-market conditions, consistent with the policy that fuel shall never be sold at a loss.

Section 6. Effective Date. This resolution shall take effect upon passage and publication as provided by law.

Introduced and adopted this _____ day of _____, 2026.

Karin Tepley, Mayor

ATTEST:

City Clerk

Adopted: _____ Ayes: _____ Noes: _____ Absent: _____