

City of Winsted
Winsted Airport Commission Meeting
City Hall – Council Chambers
Tuesday, December 13, 2011
8:30 a.m.

Airport Commission Members Present: Joe Johnson
Russ Paschke
Glenn Weibel
Dave Mochinski (Council Liaison)

Airport Commission Members Absent: Kevin Kubasch
Dave Millerbernd

Staff Present: Brad Martens, City Administrator
Dave Meyer, Public Works Lead
Amanda Zeidler, Utility Billing & Payroll Clerk

1) Call the Meeting to Order

Russ Paschke, Airport Commission Chairperson, called the meeting to order at 8:30 a.m.

2) Approval of Minutes

Johnson made a motion to approve the minutes of the November 8, 2011 Airport Commission Meeting. Weibel seconded the motion. Motion carried 3-0.

3) Financial Report

Brad Martens, City Administrator, gave a financial report through November, 2011.

Weibel asked for clarification regarding expenses for legal and professional fees, and asked if the charges are related to requests from applicants and then reimbursed by the applicants. Martens stated that in some cases the charges are billed back to the applicant, but not all, due to the circumstances surrounding the applicant's request.

Mochinski inquired about charges for refuse service at the airport and asked Martens to look into this item.

4) Maintenance Report

Dave Meyer, Public Works Lead, reported on the following:

- The telephone line was disconnected in the temporary Arrival/Departure (A/D) building, so the telephone company was contacted to repair the problem.
- The printer has been fixed for the A/D building.
- The grounding reel has been repaired for the fuel system.
- Public Works has been conducting general inspections during the construction of the new A/D building.

Weibel inquired about the fence that was removed during the demolition of the A/D building and asked if it is available for use in another area. Martens and Meyer verified that the contractor disposed of the original fence during the demolition process.

Weibel asked for an update regarding the condition of the runway. Meyer stated that he has not received any complaints regarding the condition of the runway. Johnson stated that the recent weather has not affected the condition of the runway, and it is still firm.

5) Old Business

a) 2011 Airport Improvement Project Update

Martens gave an update regarding the 2011 Airport Improvement Projects. He commented that the A/D building construction is progressing, and sheet rock has been installed inside. Martens stated that the installation of tile, siding and roofing materials will begin in the next week.

Weibel stated that the contractor did not use a tent or heat to install the brick on the A/D building. Martens clarified that the Airport Commission approved the ability to use those items, and at this time, the contractor has not submitted a change order or payment request for any of the items related to the brick installation, and if they do, it will be declined.

b) Winsted Municipal Airport Fee Schedule

Martens stated that annually, the City of Winsted approves a fee schedule which includes airport fees. Martens stated that this item was originally discussed at the November, 2011 Airport Commission meeting, and tabled to this meeting in order to survey other airports. This survey has been completed, and Martens asked the commission to make a recommendation to the City Council regarding airport fees for 2012. Martens reviewed the existing fees, and made a recommendation to add a Commercial Operator's Fee and set the amount at or around \$200. Martens stated that in addition, the Airport Commission could institute a private fueling fee, if they so choose.

Weibel made a request to remove certain airports from the survey of other airports. Martens clarified that the survey did not include all of the airports that were asked to complete the survey; it is a listing of airports that responded to the survey. Martens added that the survey is not being used to set the amount of the proposed fees; it is just basic data from other airports. Johnson stated that he would like to see what the Glencoe, Hutchinson and Buffalo airports charge for similar fees. Martens stated that those airports may have been on the list and did not respond.

Martens asked for a motion recommending the fee schedule and any changes to the City Council. Weibel stated that he does not have a problem with the fees that Martens has proposed; however, he addressed the \$4,500 hangar access fee. Weibel stated that he does not see a justification for a fee when the hangar cannot be hooked up to water and sewer. Martens stated that the motion could include a reduction of the access fee, if they choose to do so.

Weibel made a motion to approve the fee schedule as presented with the addition of the Commercial Operators License at \$200 and the removal of the Airport Access Fee at \$4,500. Paschke seconded the motion. Motion carried 2-1. Johnson opposed.

Mochinski asked Martens to provide the City Council with an explanation of why the \$4,500 access fee was originally implemented at the Airport. Darrin Mason, Mason Air, Incorporated, asked Martens to research the number of hangars that have been built since the access fee was established.

c) Flight Instruction Agreement – Darrin Mason

Martens stated that a temporary agreement currently allows Darrin Mason to operate a flight instruction business at the Winsted Municipal Airport. Martens asked the Airport Commission to review the draft of the formal agreement with Darrin Mason, and recommend any changes prior to Council approval. Martens reviewed the following items that are included in the formal agreement:

- The purpose is for flight training services
- It is a Specialized Aviation Service Operation (SASO)
- Mason Air and customers will accept all risk
- Mason Air must own or rent a facility at the Airport
- Customers must be escorted at all times from the parking lot
- Requires a Certified Flight Instructor
- Must have minimum insurance coverage
- Allows for a SASO fee to be charged
- The agreement will be terminated in the event of default, incident of non-compliance, or failure to maintain safe operations
- The agreement currently has a one (1) year term

Martens stated that he spoke with Mason regarding the agreement, and he received the following comments from Mason:

- Mason requested that students be allowed to park at his hangar.
- Mason requested that the automobile liability language be removed from section seven (7) of the agreement.
- Mason requested that no fees be charged for the first year of operation, and if fees are implemented, he would like to have them due in June.
- Mason requested that the City allow for a “cure” clause under section thirteen (13) of the agreement.
- Mason made a request to add an exclusivity agreement so no other flight instruction services can base operations at the Winsted Municipal Airport.

Regarding Mason’s request to remove the automobile liability language from the agreement, Martens stated that he checked with the City’s insurance provider, and found that it would be fine to remove that language from the agreement, so he would agree with removing this item from the agreement per Mason’s request. Martens also commented on the “cure” clause under section thirteen (13) of the agreement, which is the termination clause. Martens stated that if the City would find something to be unacceptable, Mason would have the opportunity to fix the issue, versus immediately terminating the lease. Martens added that he did speak with the City Attorney, and found that a cure clause could be added to the agreement.

Mason made a clarification regarding his request for exclusivity and stated that he would like exclusivity for the flight school itself, because there are people who will have their own flight instructors. He would prefer not to have another flight school operation based at the airport. Johnson stated that the City has to be careful with Mason’s request to be exclusive because the City accepts federal funding. Johnson stated that when he started his skydiving operation at the Winsted Municipal Airport, he was told by the Federal Aviation Administration (FAA) that the City cannot limit any part of general aviation because federal funding is accepted. Johnson stated that this item should be researched. Martens asked if the Airport Commission would have the ability to deny a request from another flight school to operate at the Winsted Airport because the Airport cannot support any additional operations, or that it is not a good fit for the airport. Johnson stated that he believes there is a fine line regarding those types of decisions; however, it is worth looking into.

Weibel asked Mason to clarify his interpretation of the term, “right to self-fuel” as stated in the proposed agreement. Mason stated that self-fueling in this context is that he has the right to self-fuel his airplane. Weibel asked Mason if he would be hauling in bulk fuel. Mason stated that he would not be hauling bulk fuel to the airport. Weibel stated that he wanted to make sure that the interpretation of “self-fuel” was the same, so that bulk fuel would not be hauled to the airport, since the airport supplies airplane fuel for sale. Mason stated that he would like to purchase his fuel from the Winsted Airport since he is utilizing the asset there already.

Weibel commented on the one (1) year contract that is stated in the draft agreement. Weibel stated that because of the termination clause, and for business planning purposes, he would like to see the term of the agreement changed to a three (3) year contract. Mason stated that Martens had asked if he would like to extend the length of the contract, and he stated that he would like to extend the contract. Weibel stated that it is very difficult to make a business plan based on a one-year contract. Martens stated that he does not have a problem with extending the length of the contract, and he would leave the length of the term up to Mason. Mason asked for the term of Johnson’s skydiving contract with the City. Johnson stated that his initial contract was for three (3) years. Mason agreed that a three (3) year contract would be a good starting point. Martens informed Mason that the risk associated with extending the agreement is that if Mason would decide to cease operations within the first three (3) years of operation, he would still be responsible for paying the Commercial Operator Fee and the annual fee, if they were to be implemented, for the duration of the agreement.

Weibel asked Mason where he will base his operation, since he will be required to own or rent a facility at the Airport. Mason stated that right now he is in a temporary hangar; however, he is discussing another option to lease a space from Johnson once his new hangar is built. Johnson stated that having Mason’s business in his new facility will be good for Mason’s business and Johnson’s customers.

Weibel stated that he does not support students parking at Mason’s hangar, especially if Mason will be operating out of Johnson’s building, because parking is available there. Mason stated that the parking is not an issue if he is operating out of Johnson’s hangar, and went on to describe the instructions he gives each student to ensure their

safety. Mason added that he would rather have an airplane hit a car, than a person who is walking and looking up at the sky. Weibel stated that he is concerned with drivers crossing the taxi way, and having no limit on the number of people who are driving on the taxi lanes and by the hangars. Weibel suggested that students park in the parking lot and walk to Mason's hangar. Johnson stated that he does not have a problem with allowing students to park at Mason's hangar.

Weibel stated that another issue is the Commercial Operator Fee. Martens stated that this is a fee that will be discussed as a separate agenda item regarding the fee schedule. Martens asked the Airport Commission if they would like to institute a Commercial Operator Fee. Martens stated that he would like to adjust the language in the agreement to state that the applicant, or Mason Air, would be responsible to pay any fees as set forth by the City Council each year, and if that Commercial Operator Fee would be updated at a later date, the amount would automatically be updated in the agreement and the applicant would have the opportunity to address the City Council regarding the fee.

Weibel asked Mason how many years his business plan currently covers. Mason stated that he currently has a five (5) year business plan and added that he plans on being around.

Weibel made a motion to approve the agreement as presented, with the following changes: agreement term will be three (3) years; an addition in section thirteen (13) stating that in the event of a discrepancy, Mason Air will receive a 30-day written notice to correct the discrepancy, after which time if it is not corrected, he has to cease operations; the addition of a \$200 Commercial Operator Fee; and, an additional request that student parking be in the main parking lot. Motion failed for lack of a second.

Further discussion took place regarding restrictions on student parking. Martens stated that the Airport Commission could limit the number of vehicles that are allowed to park at a hangar.

Johnson made a motion to accept the agreement as presented, with the following changes: the term of the agreement will be three (3) years; an addition in section thirteen (13) stating that in the event of a discrepancy, Mason Air will receive a 30-day written notice to correct the discrepancy, after which time if it is not corrected, he has to cease operations; the addition of a \$200 Commercial Operator Fee; and, making an allowance for students to park at the hangar with a maximum of three (3) vehicles. Weibel seconded the motion. Motion carried 3-0.

Weibel clarified that parking will be on the south side of Mason's current hangar, and will not obstruct the taxi lane. He also asked Mason to mark the parking spaces.

Mason suggested posting a sign at the fuel pump for pilots to call if the fuel pump is not working. Johnson stated that if there is a problem with the fuel pump, there should be a Notice to Airmen (NOTAM) filed for the airport so transient pilots are aware of the problem as well. Weibel suggested that signs be discussed in the spring and make the signage issue a priority for everyone.

Mason stated that he wanted to raise an issue regarding the statement that the A/D building cannot be used for flight training. Mason wanted to clarify that he needs to use the A/D building to instruct his students on the weather computer, but he will step aside if another pilot needs to use the equipment.

6) New Business

a) Aircraft Dealer Agreement – Rod Ibis

Martens stated that Rod Ibis has requested approval to use the Winsted Municipal Airport as a location to sell aircraft as a dealer. Martens stated that the Minnesota Department of Transportation (MNDot) Aeronautics requires that aircraft dealers have proper storage for any aircraft and must also provide evidence from the airport owner that he or she has permission to buy and sell aircraft at that airport. He added that Mr. Ibis is not planning on storing aircraft at the Winsted Airport; he is simply asking for approval to operate his business at the Airport. Mr. Ibis would bring in a plane on a specific day to meet with a client and either transfer ownership or take the airplane back with him.

Martens stated that he is working on creating an agreement similar to the one that was created for Darrin Mason, in which Mr. Ibis would be responsible for commercial operation fees. Martens added that he is requesting feedback from the Airport Commission regarding the draft agreement with Mr. Ibis for approval to sell aircraft at the Airport. Martens also added that he does not have time to bring the agreement back to the Airport Commission prior to getting City Council approval, so any comments that are made will be drafted into the agreement and forwarded to the City Council for approval.

Johnson addressed Rob Ibis, and asked if he is also based out of Flying Cloud Airport in Eden Prairie, Minnesota. Ibis stated that he will maintain a site at the Flying Cloud Airport as well because it is convenient and it is needed for larger aircrafts. He has been brokering airplanes, and it is a different operation than being a dealer. Ibis stated that a broker does not need to be licensed; however, a dealer would be able to make trades and sales and obtain a dealer's license. Ibis stated that he has been in the business approximately three (3) years.

Martens stated that the agreement that he is drafting does not require Mr. Ibis rent or own a hangar at the airport, but there would be a stipulation that the airplanes could not be stored at the airport.

Weibel asked Ibis why he would like to base his operation in Winsted. Ibis stated that he has done quite a bit of business at the Winsted Airport, and he needs to find a home for his business. He stated that it is a good traffic area, and a good niche in Winsted. Ibis stated that he has had a hangar at Flying Cloud Airport, as well as a dealer's license, and it is very expensive to operate a business there.

Weibel asked Martens to apply a fee for the use of the A/D building for a commercial venture. He added that the A/D building will have to be used in the interim, for Mr. Ibis to conduct his business, and there should be a fee for the use of the A/D building. Mochinski stated that he does not believe that the A/D building can be used for any commercial operation, or that the FAA will allow an operation to be based out of the A/D building. Martens stated that he has looked into this to see if the A/D building could be rented out, and he was told that the building could be rented out; however, it is a public building, so any public purpose would take precedence over any private activities in the building. Martens stated that the agreement with Mr. Ibis would have the same language as Mason's regarding applicable fees.

Weibel made a motion for the City Administrator to draw up an agreement which includes a Commercial Operator Fee, similar to Darrin Mason's agreement and move forward with the agreement. Johnson seconded. Motion carried 3-0.

b) 2012 Meeting Schedule

Martens reviewed the proposed 2012 Airport Commission meeting schedule. Weibel thanked Johnson for offering the use of his hangar for the January, 2012 meeting location, since the size of the A/D building will not be adequate to accommodate all of the hangar owners.

7) Other Business

Weibel stated that he has contacted the Experimental Aircraft Association (EAA) Young Eagles Program that is based in Maple Lake, Minnesota, and the group is willing to help set-up a Young Eagle's Day at the Winsted Airport in the summer of 2012.

Weibel commented that an above-ground jet fuel farm may become available for purchase so the airport would be able to have jet fuel available for sale. He added that the preliminary cost estimate is around \$80,000.

Weibel stated that he has met with the City of Lester Prairie regarding a hard surface runway at the Winsted Municipal Airport. He added that he will be meeting with the Howard Lake Chamber of Commerce in the next month to see if the runway would be utilized by area businesses.

Weibel made a suggestion to bill the use of the City Attorney back to the requestor, when the City Attorney is reviewing or drafting documents on behalf of the City. Martens stated that it is his hope that the use of the City Attorney in these situations will be an investment to protect the City, and it would become a cost burden to the requestor when trying to start a business at the airport.

8) Adjournment

Weibel made a motion to adjourn the meeting. Johnson seconded the motion. Motion carried 3-0. The meeting adjourned at 9:30 a.m.

Brad Martens

Brad Martens,
City Administrator
City of Winsted

ATTEST:

Amanda J. Zeidler

Amanda J. Zeidler,
Utility Billing & Payroll Clerk
City of Winsted