

**WILLMAR MUNICIPAL AIRPORT COMMISSION
CITY OF WILLMAR, MN
WEDNESDAY, MARCH 30, 2016**

MINUTES

1. The Willmar Municipal Airport Commission met on Wednesday, March 30, 2016, at 4:30 p.m. at the Willmar Municipal Airport Conference Room.

**** Members Present:** Pat Curry, Don Cole, Sandy Gardner, Dan Reigstad, David Little, Richard Kacher, and Dan O'Meara.

**** Members Absent:**

**** Others Present:** Ron Buchanan, Wayne Rudningen, Eric Rudningen- Eric's Aviation Services Megan DeSchepper- Planner/Airport Manager.

2. WELCOME: The Commission welcomed David Little as a new member of the Airport Commission and thanked him for contributing to his community.
2. REORGANIZATION: Mr. Reigstad made a motion, seconded by Mr. Little, to nominate Mr. Curry for Chair.

Mr. Curry made a motion, seconded by Mr. Reigstad, to nominate Mr. Cole for Vice Chair.

The motions carried.

3. MINUTES: The minutes of the October 21, 2015 meeting were approved as submitted.
4. MINIMUM STANDARDS FINAL DRAFT: The Commission reviewed the final draft of the Minimum Standards Ordinance. They discussed the newest added language regarding unmanned drones as recommended by the airport consultant Bolton and Menk. It was also noted on page 33 some language regarding the fire code and sprinkled buildings needs to be inserted as it currently references the Building Official etc.

Mr. Little made a motion, seconded by Mr. Cole, to forward the document onto the City Council for a public hearing and adoption.

The motion carried.

5. TEN YEAR ANNIVERSARY CELEBRATION: Mr. Curry spoke about the subcommittee and plans for the 10 year anniversary of the new airport celebration. Pat

Curry, Dan Reigstad, Dan O'Meara, Eric Rudningen, and Arnie Plowman are members of the subcommittee and have already met to begin planning for the event on Sunday September 4, 2016. The Boy Scouts will assist with the meal and turkey brats will be donated by Jennie-O Turkey Store. The Subcommittee is working on buns, chips, and beverage donations for the meal. Local airplane owners will be encouraged to participate and display plans etc. They hope to have a drawing that will offer people rides in locally owned airplanes. They are working on having displays regarding drones, remote control planes, car club cars, Fagen, and Ag spray planes. The Willmar Lakes Area Chamber of Commerce has volunteered to assist with design and production of a flyer advertising the event. Rambow will be donating hats for the event. The subcommittee will continue planning for this great celebration.

6. AIRPORT UPDATES: Mr. Rudningen updated the Commission that all the T-Hangars are still full. The Federal monies will soon be released so the Master Plan update can begin. The Airtap Conference is in April which Mr. Rudningen will do a presentation regarding the grass runway project. The winter was easy for the airport and the runway was never closed due to drifting. Public Works did a great job with the snow events that did occur. A new business, Oasis Aero, started doing maintenance and repairs out of CH -3.
7. There being no further business to come before the Commission, the meeting adjourned at 5:53 p.m.

Respectfully submitted,



Megan M. DeSchepper, AICP
Planner/Airport Manager

CITY OF WILLMAR

COMMUNITY DEVELOPMENT COMMITTEE MEETING

4:45 PM, THURSDAY, MAY 26, 2016

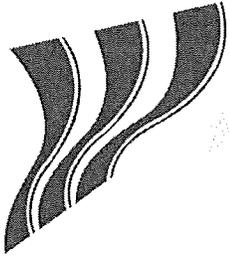
CONFERENCE ROOM #1

CITY OFFICE BUILDING

Chair: Rick Fagerlie
Vice Chair: Andrew Plowman
Members: Tim Johnson
Audrey Nelsen

AGENDA

1. Meeting Called to Order
2. Public Comment
3. FBO Contract Issues
4. Hazardous Building Declaration – 810 Campbell Avenue Northwest
5. Adjourn



CITY OF WILLMAR

**Planning and Development Services
City Office Building
333 SW 6th Street
Willmar, MN 56201
320-235-8311**

COUNCIL ACTION REQUEST

DATE: May 26, 2016

SUBJECT: FBO Contract Issues

RECOMMENDATION: To terminate the contract with Maximum Cruise Aviation, LLC – dated April 4, 2016

BACKGROUND: For approximately the past year, the City of Willmar has had issues with the performance of Maximum Cruise Aviation serving as FBO at the Willmar Municipal Airport. Specifically, those issues include late payments of rent, late payments of fuel flowage fees, late filing of required reports, and more recently, failure to provide proof of insurance. These on-going issues have created a situation at the airport that not only creates legal and financial liabilities for the City, but brings into question the ability of the FBO to serve on the airport as the intended “face of the community”.

Many opportunities have been given to the FBO to bring accounts and reports current. This has been accomplished although the payments are frequently months late. The attachment details the issues with delinquent rent and fuel payments. Most recently, the City received notification from the insurance carrier for Maximum Cruise Aviation that his insurance coverage had been terminated. Staff acted immediately to notify the FBO of this happening and to demand that proof of insurance be provided as per the agreement. No proof of insurance has been provided as of this date.

FINANCIAL CONSIDERATION: If the City terminates the agreement, all financial obligations by the City would end, and staff would prepare an RFP to solicit a replacement FBO. The financial conditions of any future contract are speculative at this point. For the short term, the City would take over responsibilities for the fuel system and fuel sales. Other FBO responsibilities would be taken on by staff of the site manager on a temporary basis.

LEGAL: The City Attorney has indicated that there are sufficient grounds to terminate the agreement. Legal liabilities due to the current FBO’s failure to provide proof of insurance are on-going.

DEPARTMENT/RESPONSIBLE PARTY: Bruce D. Peterson, AICP – Director of Planning and Development Services

FBO ISSUES TIMELINE FOR 2015-2016:

RENT:

- February 13, 2015 rent for February 2015 is paid.
- March 11, 2015 rent for March 2015 is paid.
- May 29, 2015 rent for April 2015 is paid.
- May 29, 2015 rent for May 2015 is paid.
- October 12, 2015 rent for June 2015 is paid.
- October 12, 2015 rent for July 2015 is paid.
- October 12, 2015 rent for August 2015 is paid.
- October 12, 2015 rent for September 2015 is paid.
- October 12, 2015 rent for October 2015 is paid.
- December 2, 2015 rent for November 2015 is paid.
- December 2, 2015 rent for December 2015 is paid.
- March 3, 2016 rent for January 2016 is paid.
- March 3, 2016 rent for February 2016 is paid.
- March 3, 2016 partial rent for March 2016 is paid.
- April 24, 2016 partial rent for March 2016 is paid.
- April 24, 2016 rent for April 2016 is paid.
- April 24, 2016 overpays...error in payment is put towards May & June 2016 rent.

FUEL FLOWAGE:

- January 15, 2015 fuel flowage for October of 2014 is paid.
- January 20, 2015 fuel flowage for November of 2014 is paid.
- March 11, 2015 fuel flowage for December 2014 is paid.
- March 11, 2015 fuel flowage for January 2015 is paid.
- May 29, 2015 fuel flowage for February 2015 is paid.
- May 29, 2015 fuel flowage for March 2015 is paid.
- May 29, 2015 fuel flowage for April 2015 is paid.
- October 12, 2015 fuel flowage for May 2015 is paid.
- October 12, 2015 fuel flowage for June is paid.
- December 2, 2015 fuel flowage for July 2015 is paid.
- December 2, 2015 fuel flowage for August 2015 is paid.
- December 2, 2015 fuel flowage for September 2015 is paid.
- December 2, 2015 fuel flowage for October 2015 is paid.
- March 3, 2016 fuel flowage for November 2015 is paid.
- March 3, 2016 fuel flowage for December 2015 is paid.
- March 3, 2016 fuel flowage for January 2016 is paid.
- April 24, 2016 fuel flowage for February 2016 is paid.
- April 24, 2016 fuel flowage for March 2016 is paid.
- April 24, 2016 fuel flowage for December 2015 is erroneously paid again....monies put towards rent see above.

FUEL TANKS:

- October 19, 2015 ran out of Jet-A fuel, refilled early October 20, 2015.
- February 11, 2016 164 gallons of 100 LL fuel.
- February 15, 2016 ran out of 100 LL fuel empty at 8:30 am, tank filled by 3:15 that afternoon.
- March 29, 2016 434 gallons pumpable fuel in 100 LL tank.
- April 1, 2016 210 gallons pumpable fuel in 100 LL tank (meter reads 420621.5).
- April 4, 2016 80 gallons (1 inch) of fuel in 100 LL tank (meter reads 420742.21).
- April 6, 2016 434 gallons (5 inches) of fuel in 100 LL tank.
- April 11, 2016 434 gallons (5 inches) of fuel in 100 LL tank (meter reads 420897.2), 5' 6" 8,321 gallons Jet-A fuel (652,184).
- April 15, 2016 250 gallons of pumpable fuel in 100 LL tank (meter reads 421103.1).
- April 18, 2016 341 gallons pumpable fuel (meter reads 421429.1), 6,029 gallons Jet A fuel (meter reads 654610).
- April 25, 2016 940 gallons 100 LL (10") (meter reads 421,905.3), 3,800 gallons Jet –A fuel (2' 9" meter reads 656,777).
- May 2, 2016 834 gallons 100 LL (9" meter reads 422033.8), 1,235 gallons Jet-A fuel (1' 9" meter reads 658246).
- May 9, 2016 1158 gallons 100 LL (1' meter reads 422540.3), 4990 gallons Jet- A fuel (4' 2" 661783).
- May 17, 2016 934 gallons 100 LL (10" meter reads 422814.4), 2623 gallons Jet-A fuel 2623 (2' 8.5" meter reads 664121).

INSURANCE:

- March 21, 2016 City becomes aware that the insurance policy for the FBO may have been terminated. City contacts the insurance carrier and receives a copy of the canceled policy on March 22, 2016.
- The policy was cancelled on January 26, 2016.
- March 24, 2016 the City notifies the FBO in writing that we have become aware the policy has been canceled and ask to notify the City if there is a policy with a new carrier to get that info to the City no later than March 31, 2016 or the matter will be forwarded to the City Attorney as it is a breach of contract Article 4.3 and can be a cause for termination.
- March 31, 2016 city receives e-mail from FBO stating they switched insurance carriers and will forward new certificate as soon as possible.
- April 14, 2016 Planner/Airport Manager e-mails FBO reminding of promise of proof of insurance and fuel flowage/rent payments.
- April 26, 2016 Planner/Airport Manager e-mails FBO asking why he didn't make it to the scheduled meeting and reminding still haven't gotten insurance certificate.
- May 5, 2016 Planner/Airport Manager e-mails FBO requesting new insurance carrier so City Staff can contact them directly for insurance information.

MEETINGS/CORRESPONDENCE:

- September 2, 2015 e-mail from Finance Department rent hasn't been paid for June, July, August or September 2015. And fuel flowage for May, June, July, and August 2015 not paid.

- September 17, 2016 Finance Department sends arrears notice regarding FBO to City Attorney as payments are past 90 days. City Attorney send notice to FBO requesting payment.
- October 2, 2015 meeting with Public Works Director, Director of Planning and Development Services, Planner/Airport Manager, and Operations/Maintenance Supervisor to talk about FBO payment and fuel issues.
- November 16, 2015 letter requesting late fuel flowage info and ask when payments can be expected.
- November 20, 2015 meeting with Interim City Administrator, Public Works Director, Director of Planning & Development Services, Planner/Airport Manager, and Operations/Maintenance Supervisor to discuss further FBO payment and fuel issues.
- December 2, 2016 meeting with FBO and Interim City Administrator, Public Works Director, Director of Planning & Development Services, Planner/Airport Manager, and Operations/Maintenance Supervisor. Timely payments and expectations were conveyed to FBO. FBO submitted a check (see payments above). Agreed verbally that during the winter months the 100 LL could be kept at 500 gallons vs. 1,000 gallons minimum per contract due to low flowage demand in the winter months.
- January 6, 2016 and February 9, 2016 FBO contract amendment requested by City to clarify rent payment see Section 2-2 Page 2 and Exhibit C. Clarifies rent costs for years 2016-2019 of the agreement.
- January 26, 2016 e-mail from Finance Department fuel flowage from November and December 2015 not paid yet.
- February 29, 2016 City Administrator and City Planner/Airport Manager tour airport and FBO facilities. Talk about keeping current on payments etc. with FBO.
- April 4, 2016 City Administrator and City Planner/Airport Manager visit FBO and have reminder discussion about keeping payments and fuel flowage info timely, FBO signs amended contract clarifying rent payment section, request copy of proof of insurance told payments and insurance will be brought to the City that week.
- April 26, 2016 meeting set with FBO, City Administrator, and City Planner/Airport Manager. FBO does not show up.

COMPLAINTS/ISSUES:

- February 24, 2016 FBO phone line disconnected, operational again February 26, 2016.
- February 26, 2016 notice from IRS that there was a levy on FBO's taxes, spoke with IRS representative and that levy had been withdrawn.
- March 14, 2016 courtesy car phone voice mail box full on weekends.
- April 4, 2016 complaint from large user of Airport that FBO not consistent with fuel in tanks and low trust in services provided have been taking their planes elsewhere for last 6 months.
- April 20, 2016 east coast business calls inquiring if the FBO has gone bankrupt or is still functioning. Had placed order for a part made an online payment keeps getting assured of delivery but never got part. Wondered if City knew anything further.

DIVISION 6. - MUNICIPAL AIRPORT COMMISSION

Sec. 2-123. - Purpose created, composition, appointment and term of office.

- (a) It is the intent of the Willmar City Council to provide for a municipal airport facility that operates in a safe and efficient manner while enhancing the economic viability of the community. In order to educate and inform the council and general public on aviation matters and to assist with management decisions and operations of the airport, there is hereby created and established a commission to the city council to be known and designated as the Willmar Airport Commission.
- (b) The commission shall consist of seven (7) members appointed by the mayor with the consent of a majority of the city council. Members of the commission shall be residents of the City of Willmar. At least two (2) of the seven (7) members of the airport commission shall be licensed pilots whose primary base of operation is the Willmar Municipal Airport.
- (c) The members shall serve terms of three (3) years, except for those initially appointed to the commission whose terms shall be staggered so that two (2) original appointees shall serve terms of one (1) year, two (2) shall serve terms of two (2) years, and three (3) shall serve terms of three (3) years.
- (d) Commission members shall serve without remuneration for their service, but may be reimbursed for expenses incurred in the performance of commission duties.

(Ord. No. 1113, § 1, 1-11-99; Ord. No. 1236, § 1, 5-1-06)

Sec. 2-124. - Organization and procedure.

- (a) At the organization meeting of the commission held in January of each year, the commission shall elect a chairperson, vice-chairperson and secretary from its membership whose term in office shall be for a period of one (1) year.
- (b) The commission shall establish a regular time and place of meeting. All meetings shall be conducted in accordance with Roberts Rules of Order Revised. The commission may make or alter rules and regulation governing its organization and procedure in a manner not inconsistent with this Code or other ordinances of the city.
- (c) A majority of all members of the commission shall constitute a quorum, and all business may be transacted by a majority vote of a quorum.

(Ord. No. 1113, § 2, 1-11-99; Ord. No. 1236, § 2, 5-1-06)

Sec. 2-125. - Duties and responsibilities.

- (a) The commission shall serve as a recommending body to the city council concerning all improvements, maintenance, equipment and regulations.
- (b) The commission shall develop and recommend airport operation and maintenance standards.
- (c) Recommend an annual budget and capital improvement program in such form as required by the city council which must contain provisions for an airport manager, capital outlay, maintenance expenses, and all other expenses and income including the establishment of appropriate rental and sales charges and rates.
- (d) Recommend and participate in promotion activities and programs, economic development, and marketing for the airport.
- (e)

Within a reasonable time after the end of each calendar year, the commission shall make a written report of its activities during the preceding year and file the report with the city administrator. The commission shall also submit to the city council minutes of each regular and special commission meeting.

(Ord. No. 1113, § 3, 1-11-99; Ord. No. 1236, § 3, 5-1-06)