

CAMBRIDGE MUNICIPAL AIRPORT ADVISORY BOARD MINUTES
August 31, 2017

Members Present: Michael Grzincich, Gerald Graham, Brandon Grell, Kurt Daudt, James Gordon, Marvin Timm and David Johnson. Council representative James Godfrey

Members Absent: Garry Bye

Others Present: Airport Manager Lucas Milz; SEH Representatives Lindsay Reidt and Christopher Brett; Kent and Lynn Schutte

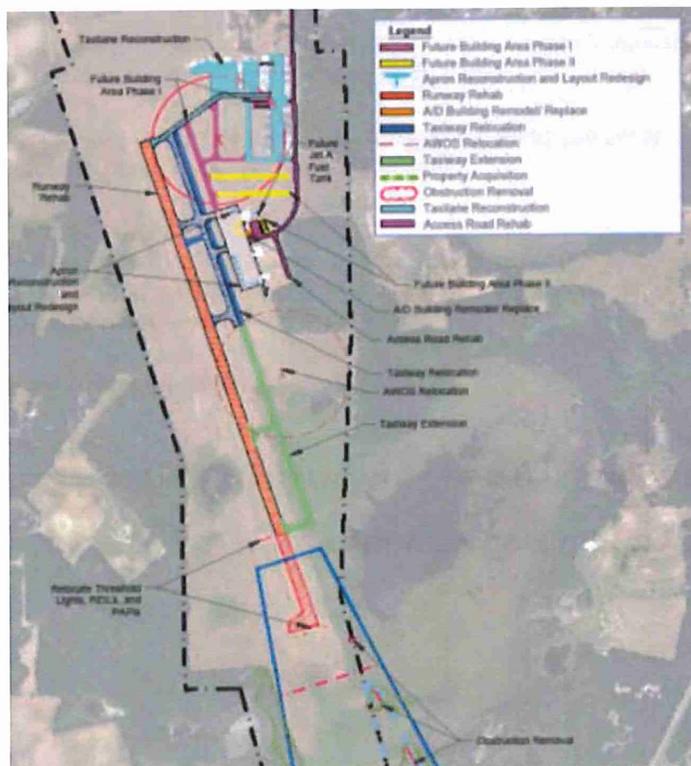
The meeting was called to order at 7:04 p.m.

Approval of Minutes: Grell motioned, seconded by Johnson and carried unanimously to approve the May 25, 2017 minutes as presented.

Approval of Agenda: Johnson motioned, seconded by Grell and carried unanimously to approve the agenda as presented.

Public Discussion - no public comments.

Old Business



SEH Master Plan Update – Lindsay Reidt and Christopher Brett from Short, Elliot and Hendrickson (SEH) presented the Airport Master Plan Update. After discussions with the FAA, there were two issues to address:

Runway Length – Discussed two options of shortening the runway or rebuilding it to its same size at the time of the rehab. SEH felt it was more cost effective to rebuild it to its current specifications but are waiting for an FAA decision.

Runway Cost Comparisons

The following is a breakdown of the costs to either reconstruct the existing runway or the runway reduction:

Reconstruct Runway 16/34 to 4,001 Feet

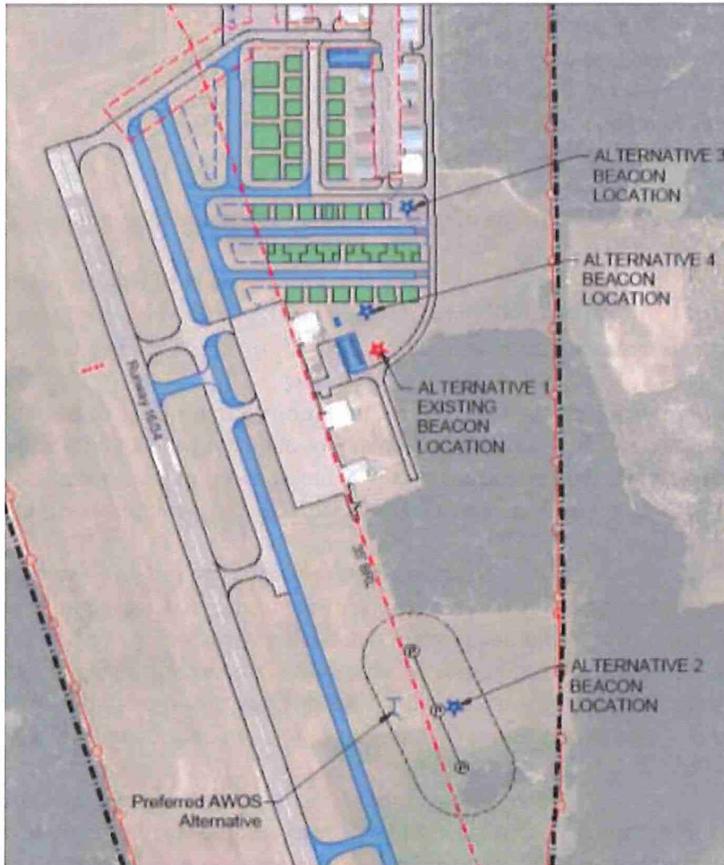
Reconstruct Runway 4,001' x 75' \$1,633,186
 Replace MIRL Lighting (4,001 feet of runway) \$200,000
 Remove Holding Bay; Restore to Turf \$172,200
Total \$2,005,386

Reconstruct Runway 16/34 to 3,250 Feet (South End Length Reduction Through Removal of 756 Feet)

Reconstruct Runway 3,250' x 75' \$1,318,345
 Replace MIRL Lighting (3,250 Feet of Runway) including relocation of Runway 34 REILs and PAPIs \$250,000
 Remove Holding Bay and 756 Feet of Runway 16/34; Restore to Turf \$234,000
 Environmental Assessment \$75,000
 Instrument Approach Procedure Development \$50,000
 Obstruction Removal \$30,000
 Rezoning Effort \$25,000
 Property Acquisition \$25,000
Total \$2,007,345

Beacon Alternatives

Beacon Location – The board then discussed replacing the aged beacon and moving it to a new location. There are issues with clearance around tall trees within the property and they discussed options of removing many trees or re-aiming and relocating the beacon.



They concluded that it should be a quick process once they hear back from FAA.

Storage and Commercial Hangar Lease Updates – Milz presented a copy of the updated leases with the following rate structure:

2018	\$.12 per square foot of hangar space
2019	\$.13 per square foot of hangar space
2020	\$.14 per square foot of hangar space
2021	\$.15 per square foot of hangar space
2022	\$.16 per square foot of hangar space
2023	\$.17 per square foot of hangar space
2024	\$.18 per square foot of hangar space
2025	\$.19 per square foot of hangar space

2026	\$.20 per square foot of hangar space
2027	\$.21 per square foot of hangar space
2028	\$.22 per square foot of hangar space

He explained that the only change from the previous version was that the lease rate cannot increase more than 10% a year. He had discussion with the city attorney and city administrator and found that this would make these items more enforceable. He continued that the lease rates have not been raised for eleven years and this is more a of catch up with the increase in maintenance costs.

Schutte asked what the remedy is if a hangar is not in compliance. A failure to operate within the terms of the lease will result in a termination of the lease and a 120-day notice to vacate the hangar. The tenant will then have 30 days to correct the deficiency to avoid termination. They can then either sell the hangar or remove it from the premises.

Daudt commented that if Cambridge is .10 cents higher than surrounding areas it may be hard to fill the new spaces. He felt that it was more important to fill the new lease spaces rather than double the existing rates and felt that higher hangar rates could be a deterrent with the new lots that are being constructed. Lower lease rates could attract more tenants to the airport. It seems not worth it for the \$10,000 over ten years that would be collected.

Milz explained that the city has been subsidizing the airport and presented the budget that showed the monies collected and allocated. He continued that the airport only serves a small portion of the city and all other rates/charges have increased but not the lease rates. The State reimburses the city up to \$24,733 per year for maintenance of the airport, all other revenues come from hangar leases and fuel sales. He continued that of the \$70,000 the city budgeted for airport maintenance in 2016, the revenues did not cover all the expenses.

Godfrey explained that the City Council knows that the airport is an asset to the community but that they need to find more revenue. Milz continued that the Council isn't in the business to turn the airport away but they need to pay their fair share. The city has just added park/ballfield fees and has started to charge associations and teams to use the facilities to offset some of the maintenance costs.

After much discussion, it was suggested to change the rates every three years in .02 cent increments. The board felt that this would still increase the revenue at the airport but would be low enough to promote airport growth.

The board recommend to the City Council to adjust the hangar lease rates as follows:

2018	\$.13 per square foot of hangar space
2019	\$.13 per square foot of hangar space
2020	\$.13 per square foot of hangar space
2021	\$.15 per square foot of hangar space
2022	\$.15 per square foot of hangar space
2023	\$.15 per square foot of hangar space

2024	\$.17 per square foot of hangar space
2025	\$.17 per square foot of hangar space
2026	\$.17 per square foot of hangar space
2027	\$.17 per square foot of hangar space

They will keep the maximum on ten years after 2027 increase will not be over 10%

New Business

Kent Schutte – Schutte offered a presentation on why he believes it is very important for Cambridge to offer the sale of Jet A fuel. He feels that it would be a wise economic decision because airports in this region offer it and the airport is losing out on sales. Since February, he personally has purchased 4,400 gallons from other airports. He continued that the Jet A fuel would attract more business and enhance the prosperity of the airport.

The board feels it would be a wise investment to purchase a Jet A fuel system but recognizes the difficulty due to the expense. SEH explained that any funding for this would have to come from the city because the airport does not qualify for federal or state funding upgrades. The FAA and MNDot Aeronautics rank fuel upgrades as a low priority compared to pavement conditions and other safety needs.

Other options to obtain Jet A fuel was then discussed. A fuel truck could be purchased for to use as a refueling option but would have to be staffed. Milz spoke of leasing a station from a vendor but we need to research the cost involved. Schutte mentioned that he would be willing to purchase a fuel storage vehicle for his personal use. Schutte understood that he cannot store a large amount of fuel inside of his hangar for safety reasons.

The board asked Milz to do some research on what is available for Jet A Fuel options and would like him to bring that information to the City Council for their consideration.

Depredation Application – Milz has submitted the Depredation Application to the Fish and Wildlife and it has been returned twice with questions. He resent it on Monday and is waiting to hear back. The city has purchased a cheap shot gun to use for firing shell crackers at birds on Airport property.

Grass Mowing – Milz explained that the grass has been kept longer at the Airport because he learned at a training he had attended that geese do not like longer grass. He continued that although it doesn't look as nice, it has cut down on the geese problem. He will continue to maintain around the hangar sites but leave the rest longer.

Personal Property Tax – Milz explained how the city's portion of the county taxes were disbursed to the General Fund and not paid directly to the Airport fund.

Signs at Administration Building – Graham reminded Milz that there needs to be no smoking signs at the Administration Building.

Gas Meter – Milz had just replaced the worn out parts on the gas meter and now all the digits are legible.

Guest Book – Graham felt that a book for people to sign when visiting the Airport would be good way to show how much the airport is used.

The next meeting will be Thursday, November 30, 2017.

Grzincich motioned, seconded by Grell and passed unanimously to adjourn the meeting at 9:17 p.m.

Respectfully submitted,
Betsy Potrament