

AIRPORT OPERATIONS

GENERAL INFORMATION:

The Muscatine Municipal Airport provides a non-commercial facility for use by the entire community. Because the Airport is heavily utilized by private companies and individuals, this facility assists in generating additional business and promotes industrial and commercial growth in the City. The facility includes a terminal building, four (4) corporate hangars, twenty (20) T-hangars, a maintenance building, and a community hangar that can store approximately fifteen (15) to twenty (20) small airplanes. The Airport has a 5,500 foot main runway and a 4,000 foot crosswind runway.

The Airport property consists of approximately 680 acres; however, only 394 acres are used for the aviation operation. The remaining 286 acres are leased for farming purposes with the income assisting in the support of the Airport operation.

The facility is operated through a contractual agreement by the Airport Manager who oversees the general operation of the facility. The City also has a Fixed Base Operator (FBO) who provides various business functions and services to the users of the Airport. The FBO provides airplane maintenance, charter services and flight training in addition to the sale of airplanes, gasoline and other general services required by the aviation industry. The current contract is with Carver Aero Inc. for both the Airport Management and FBO activities. These contracts run through June 30, 2015. The amount paid to Carver Aero for airport management fees for both 2012/2013 and 2013/2014 is \$45,500. Carver Aero, as fixed base operator (FBO), will make payments to the City of \$9,900 in both 2012/2013 and 2013/2014.

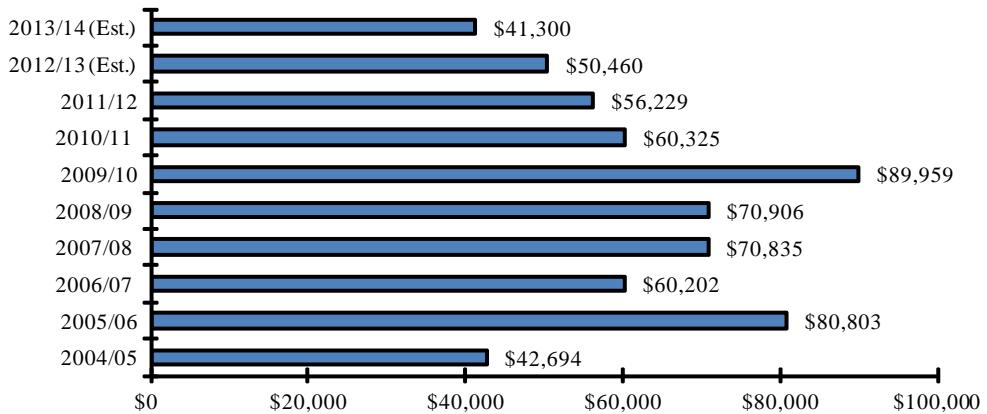
The City has completed a variety of improvements at the Municipal Airport in recent years. These improvements have been made in conjunction with the receipt of Federal Aviation Administration (FAA) or State grants. In 2008/2009 construction of a parallel taxiway for the crosswind runway was completed and new snow removal equipment was purchased. A snow removal tractor was purchased in 2010. These projects received 95% FAA funding with a 5% local match. Construction of a hangar access road was completed in 2011 with 85% State funding and a local match of 15%. In 2012 the Runway Lighting Repair Project which received 95% FAA and 5% local funding was substantially completed and the Airport Hangar Repair Project was completed which received 85% State and 15% local funding. Currently in progress are the Airfield Maintenance project and the Airport Obstruction Removal project, both of which will receive 90% FAA and 10% local funding, and the Airport Security and T-Hangar Drainage Improvement project which will receive 85% State and 15% local funding.

The City completed construction of the airport terminal building in 2004. This project was financed from tax increment revenue bonds. Incremental taxes from the Southend TIF area fund the annual principal and interest requirements on this issue.

CURRENT TRENDS AND ISSUES:

The Airport Operation was established as an Enterprise Fund in order to segregate revenues and expenditures of the operation and as a result of efforts to generate additional revenues for this facility. As revenues from the Airport are less than expenditures for the operation, a General Fund subsidy is required annually to balance the budget. A history of the General Fund Airport subsidies is shown in the following chart:

General Fund Airport Subsidies



Early in 2012 the lease for the farm land surrounding the airport was re-negotiated which increased the annual airport farm revenue to \$34,000. In prior years, both the farm income and the related property, drainage, and island levee taxes were pro-rated between the Airport and the Water Pollution Control (WPC) fund. Beginning in 2012/2013 100% of the farm income is being credited to the Airport fund and the Airport will pay 100% of the farm-related expenses related to the Airport land. This change is the primary reason for the decreases in the General Fund Airport subsidies in 2012/2013 and 2013/2014.

The 2012/2013 revised estimate subsidy is over the budgeted amount by \$3,160. This increased subsidy is primarily due to costs for a runway blowup repair in the amount of \$8,970. The City received a State grant which funded 70% of this cost, leaving the City's local share at approximately \$2,700. Revised estimate expenditures are \$9,100 higher than the original budget primarily due to the blowup repair and revised estimate revenues are \$6,500 higher than budgeted due primarily to the State funding for the blowup repair.

Airport expenditures for 2013/2014 are \$5,800 (5.0%) less than the 2012/2013 budget primarily due to there being no capital outlay purchases in the 2013/2014 budget. The Airport revenues for 2013/2014 are \$200 higher than the budget for 2012/2013 due to an expected increase in fuel commissions. These changes in revenues and expenditures will result in a General Fund subsidy for 2013/2014 of \$41,300 which is \$6,000 (12.7%) lower than the original 2012/2013 budgeted amount.

The 2013/2014 budget continues funding in the amount of \$16,000 for outside consulting services to assist the city with airport operational and planning requirements.

GOAL STATEMENT:

To provide safe and efficient aviation facilities and services to the community which will promote the commercial and industrial growth and stability of the City, and provide for the needs of the recreational and leisure activities involving aviation.

PERFORMANCE MEASURES:

	Actual 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
T-Hangars Maintained	20	20	20	20	20
Hangar Spaces Rented	20	20	20	20	20
Airport Advisory Meetings	9	10	10	10	10
Hangar Rentals	\$19,976	\$19,399	\$22,011	\$21,900	\$21,900
FBO Lease	\$8,700	\$8,800	\$9,900	\$9,900	\$9,900
Gallons of Fuel Dispensed by the FBO	57,841	71,234	91,000	100,000	105,000
Fuel Commission (\$0.03/gallon)	\$1,735	\$2,137	\$2,730	\$3,000	\$3,000
Farm Lease Revenue	\$6,636	\$6,639	\$6,639	\$34,000	\$34,000
General Fund Subsidy	\$89,959	\$60,325	\$56,229	\$50,460	\$41,300

RECENT ACCOMPLISHMENTS:

Fiscal year 2012/2013 is the first year the city will (1) receive increased revenue from the recently re-negotiated lease of airport property for agricultural use, (2) receive increased revenue from the recently re-negotiated agreements with the existing Fixed Base Operator to provide both FBO and maintenance at the airport, and (3) receive increased revenue associated with the lease of municipal hangars at the airport.

In 2012 the City successfully completed a program to remove unwanted vegetation from the perimeter fence line by utilizing prisoner labor in cooperation with the Muscatine County Sheriff's department. The City hangar (formerly HNI Hangar No 1) was cleaned and repainted in 2012.

The annual update to the five-year Airport Capital Improvement Plan (CIP) was developed and submitted to the FAA and IDOT Division of Aviation that resulted in the city receiving funding for the Pavement Maintenance Project (90% FAA funds); removal of Airport Obstructions (trees) (90% FAA funds); Access Road Security Gate and Camera (85% State funding); and the Airport Zoning Ordinance update (100% state funding).

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014:

- * To coordinate with the State Division of Aviation for the replacement of the Airport's AWOS system.
- * To establish a program for regularly scheduled spraying of the airport runways and perimeter fence.
- * To complete the petrographic analysis of the runway(s) and prepare a budget for federal, state, and local funding.
- * To develop a "users-manual" for future use regarding metering locations and responsibilities, division of maintenance responsibilities, equipment inventory and maintenance schedules, security, hangar rentals and billings, farm leases, water usage reporting for pivot-irrigation, storm water plans and inspections, and contact information for state and federal partners.

- * To work towards gender-balance by encouraging female participation on the Airport Advisory Commission.
- * To continue to serve as the staff representative to the Airport Advisory Commission.

Airport Operations

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ (560)	\$ 0
Revenues					
Fixed Base Operator Fee	\$ 8,800	\$ 9,900	\$ 9,900	\$ 9,900	\$ 9,900
Hangar Rentals	19,399	22,011	22,000	21,900	21,900
Reimbursement of Costs	858	843	900	900	900
Farm Leases	6,639	6,639	34,000	34,000	34,000
Gasoline Commission	2,137	2,730	2,700	3,000	3,000
State Grant	0	6,475	0	6,300	0
Transfers In					
General Fund Subsidy	<u>60,325</u>	<u>56,229</u>	<u>47,300</u>	<u>50,460</u>	<u>41,300</u>
Total Revenues	<u>\$ 98,158</u>	<u>\$ 104,827</u>	<u>\$ 116,800</u>	<u>\$ 126,460</u>	<u>\$ 111,000</u>
Funds Available	\$ 98,158	\$ 104,827	\$ 116,800	\$ 125,900	\$ 111,000
Expenditures	<u>98,158</u>	<u>105,387</u>	<u>116,800</u>	<u>125,900</u>	<u>111,000</u>
Ending Balance, June 30	<u><u>\$ 0</u></u>	<u><u>\$ (560)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Function:
Business Type

Department:
Community Development

Activity:
Airport Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	5.56%
Commodities	3,323	3,360	3,600	3,800	3,800	
Contractual Services	87,135	84,878	98,800	98,800	98,900	0.10%
Capital Outlay	-	9,250	6,300	15,200	-	-100.00%
Transfers	7,700	7,900	8,100	8,100	8,300	2.47%
Total Expenditures	<u>\$ 98,158</u>	<u>\$ 105,388</u>	<u>\$ 116,800</u>	<u>\$ 125,900</u>	<u>\$ 111,000</u>	-4.97%
Funding Sources						
Airport Revenues	\$ 37,833	\$ 49,159	\$ 69,500	\$ 75,440	\$ 69,700	0.29%
General Fund Operating Subsidy	<u>60,325</u>	<u>56,229</u>	<u>47,300</u>	<u>50,460</u>	<u>41,300</u>	-12.68%
Total Funding Sources	<u>\$ 98,158</u>	<u>\$ 105,388</u>	<u>\$ 116,800</u>	<u>\$ 125,900</u>	<u>\$ 111,000</u>	-4.97%