

January 10, 2016

2:00 PM

Newport, Oregon

The City of Newport Airport Committee met on the above date in Conference Room A, Newport City Hall. In attendance were: Committee chair Jeff Bertuleit, committee members Susan Reese (via phone from Portland), Mark Watkins, Jim Shaw, and Ken Brown. Also in attendance: City Council liaison Laura Swanson, City Manager Spencer Nebel, Airport staff Lance Vanderbeck, Committee staff Bob Fuller (Public Works), and prospective committee member Terry Buggenhagen.

1. The meeting was called to order by committee chair Jeff Bertuleit at 2:00 PM.

2. Roll Call

3. Approval of Minutes: Motion was made and seconded to approve the draft minutes from the December 13, 2016 meeting. The motion passed on a unanimous voice vote.

4. Discussion/action items

4.A. New Airport Committee applicant Terry Buggenhagen was introduced to the committee. (Application and resume included in meeting packet). Following a brief discussion, motion was made and seconded to recommend Buggenhagen as a member of the Airport Committee to the Mayor and City Council. The motion passed on a unanimous voice vote.

4.B. Goal-setting discussion and suggestions

i. Nebel advised the committee to limit the goals to 4-5 items that can be done in the coming fiscal year.

ii. Bertuleit thought water and sewer improvements should be on this list because they impact future development plans.

iii. Vanderbeck advised he will be meeting with Destination Newport committee in February to discuss marketing the airport for tourism.

iv. One of the goals established from previous meetings was regarding developing "user-friendly services". It was thought this term needs to be defined. Watkins said he considered airline service to fall into this category. Brown said it might be hard to convince people of the expense given the 1 ½ hour drive to Eugene to access flights to a number of destinations, and free parking as well at the Eugene airport.

v. Watkins suggested hangar construction should be a priority given there are several interested parties on the waiting list.

vi. Motion was made, seconded and passed unanimously to list the following goals for the coming fiscal year:

- a. Initiate water and sewer infrastructure upgrades.
- b. Expansion of hangar construction.
- c. Identify various air service and marketing materials to attract services.
- d. Work with Destination Newport and others to develop marketing.
- e. Review user-friendly services.

4.C. Vision 2040 meeting: Nebel invited interested Committee members to the Feb. 16<sup>th</sup> meeting, to be held at 5:30 PM at Newport City Hall.

4.D. Briefing on Airport Master Plan: Provided via handout, attached to these minutes. The Committee agreed 2500 feet would be adequate for runway 2-20.

4.E. Airport job descriptions: Review and discuss: The Committee agreed to recommend moving forward with the current job descriptions.

5. Operations report: Vanderbeck (refer to meeting packet for full document).

6. Committee comments

- i. Watkins emphasized the need for Destination Newport and the Chamber of Commerce to include the airport in their marketing programs.
- ii. Vanderbeck said it's important to have a business plan to submit to the Oregon Department of Aviation regarding airport expansion/improvements.
- iii. Fuel pricing policy report submitted by Vanderbeck (handout, attached to these minutes).
- iv. Shaw asked about the barbeque project; Nebel said he will be meeting with the Public Works Director to determine what more is needed to move forward.

7. Public Comments: None.

8. Next agenda: Fuel policy, plan for dealing with priorities, and Master Plan update.

9. Meeting adjourned at 3:25 PM.

# Memo

**To:** Airport Committee  
**From:** Lance Vanderbeck  
**cc:** Spencer Nebel  
**Date:** 01/06/17  
**Re:** Airport Master Plan Brief

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After the last Master Planning Pac meeting WH Pacific submitted the PAC selected airport designs to the FAA for final approval. The FAA rejected the submitted design plans based on the current FAA AC Construction design standards. The FAA required the City of Newport to re-submit four new designs options that will correct the current geometry issues with Taxiway Alpha, Delta, Echo and Runway 2. Current FAA design standards require 90 degree angles for Runway entrances. The FAA also wants taxiway Alpha to run the full length of runway 16-34. With current FAA standards for Runway Safety Area and Taxiway Safety Area requirements this has proven to be a herculean effort.

WH Pacific provided four new designs addressing the required FAA standards and all will have huge impacts on the airport lay out. If we are required to accept one of the designs the airport will lose all aprons but three t-tie down space. Which would bring a lot of other issues for the Airport. With Runway 2-20 the FAA is requiring it to be detached from taxiway echo. The two options on the table that meet all FAA safety area separation and standards are: one, Runway 2-20 is to be lengthened which will move the Runway Protection Zone right to the door of the USCG air tacitly taking their operations apron. Two the runway is moved North-East at the cost of \$20-\$30 million in AIP funds and City Matching.

Immediately upon learning this the City has had several conference calls with the State of Oregon Department of Aviation, PAE, WH Pacific, and the FAA to work through these issues in an effort to resolve them. But the FAA has been unwilling to change their position on the matter. To find a resolution Spencer Nebel, Melissa Roman, myself, along with Mitch Sweeker the Director of the Oregon Department of Aviation and one other Department of Aviation representative will be traveling to Renton, WA to sit down with the FAA and hopefully resolve these issues and get the master plan back on track.

# Memo

**To:** Airport Committee  
**From:** Lance Vanderbeck  
**Date:** 01/09/2017  
**Re:** Fuel Pricing

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Looking further into fuel pricing for Newport Municipal Airport. I would like to propose three options for fuel pricing at the City owned FBO. Fuel is currently the airport's main source of income. Fuel pricing is important to get right to stay competitive in the local area market and not add to the financial burdened to the City of Newport.

Fuel price currently per gallon is \$3.90 Jet-A, \$4.00 Jet-A+, \$5.10 FS 100LL, \$5.00 SS 100LL, and \$4.50 for SS 100LL local discount card. All aviation fuel comes from the same fueling rack. The fuel rack is supplied from different fueling sources, pipeline, rail car, ship, etc. Our fuel supplier Western Petroleum use Lee & brothers trucking to deliver our fuel orders. Fuel purchase pricing may be different depending on the day the order was placed. The amount that is ordered also plays a factor. For Newport any fuel load of Jet-A under 8500 gallons is priced higher per gallon. The same applies for 100LL under 6500 gallons.

When ordering fuel, it is best to order a full load to assure best pricing per gallon. Once the fuel load is delivered I look at the per gallon purchase price to assure pricing is appropriate to make a profit for the airport and we stay in the average with the local area. When prices need to be changed there is a two to three-hour process to change all the reader boards, point of sales machines, internet web sites, and FMU reader.

Next, it is difficult to know when other airfields buy fuel. Some other things to consider is when pricing with the local area, 100LL has a 9-month shelf-life before you have to have the fuel tested and okayed to still sell. Some pricing fluctuations in the local market may be caused by airfields needing to offload fuel to avoid taking a bigger loss. The bigger loss is if your fuel does not pass the 9-month inspection you are required to have the fuel tank and fuel truck drained cleaned and new fuel ordered and put in. The old stuff is taken off and recycled at the airports expense.

I have come up with three possible pricing options that could help with setting fuel pricing. Also included are options of when it may be best to change pricing to stay in the average of the local market and a possible bulk fuel order discount program. If you have any other suggestions, please feel free to add them in.

1. Pricing the fuel to stay within the average of the surrounding local area. Fuel average would be found online at Airnav.com and fuel would be priced accordingly. This is the current method being used at the FBO. This keeps us competitive but can drop revenue below .75 cents per gallon and can put us above \$2 per gallon. One thing to consider that has local market pricing may drop we are still selling fuel off the current load purchase price. We may not have the opportunity to lower pricing. An option to add to this is a discount for Jet-A bulk fuel buying. We may be able to price match best online price, or give a .05 cent discount on fuel order over 75 gallons, .10 cents on 200 or more gallons, and .15 cents on 500 or more.
2. Pricing would be no less than .75 cents per gallon and no more than \$2 per gallon of fuel load purchase price. We can still maintain flexibility to adjust pricing accordingly. We also can add the Jet-A discount for bulk fuel buying. We may be able to price match best online price, or give a .05 cent discount on fuel order over 75 gallons, .10 cents on 200 or more gallons, and .15 cents on 500 or more.
3. Pricing can be done on an average percentage of no less than 20% to no more than 35% of fuel load purchase price. Would bring in less revenue on fuel sales but keeps fuel price low. An example of this would be if fuel is bought at \$2 per gallon at 20% it would be sold at \$2.40, and at 35% it would be sold at \$2.70, but it may not bring in enough revenue to cover maintenance cost of fueling cost.