

City Council [Joint Meeting](#)  
August 13, 2012

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CITY OF  
**REXBURG**  
America's Family Community

August 13, 2012

**Mayor Richard Woodland**

**Council Members:**

Christopher Mann    Jordan Busby  
Donna Benfield      Jerry Merrill  
Bruce Sutherland    Sally Smith

**City Staff:**

Richard Horner – Finance Officer  
Matt Nielson – Deputy Finance Officer  
John Millar – Public Works Director  
Keith Davidson – City Engineer  
Natalie Powell – Compliance Officer  
Blair Kay – City Clerk

**4:00 P.M. Commissioners room at the Madison County Court House**

**County Attendees:** Commissioner Kimber Ricks, Commissioner Todd Smith, Commissioner Jon Weber and County Clerk Kim Muir.

**City Attendees:** Council President Mann, Council Member Busby, Council Member Benfield, Council Member Merrill, Council Member Smith, and Mayor Woodland.  
Council Member Sutherland asked to be excused.

**BYU-I:** Phil Packer

**Airport Board:** David Taylor

**Standard Journal:** Emily Buchanan

**4:00 P.M. - Commissioner Kimber Ricks** welcomed the City Council and Staff, Phil Packer and reporter Emily Buchanan from the Standard Journal to the meeting.

**Airport funding:**

**Deputy Finance Officer Nielson** presented a current and historical funding report of the Rexburg Madison County Airport. He explained the funding grants can be carried over for up to four years on approved projects. His presentation illustrated the need for additional funding and in-kind work from both the City of Rexburg and Madison County. David Taylor pointed out the need for the airport to be more inviting for travelers, business and pleasure. There is a need to have a lounge area for the weary traveler.

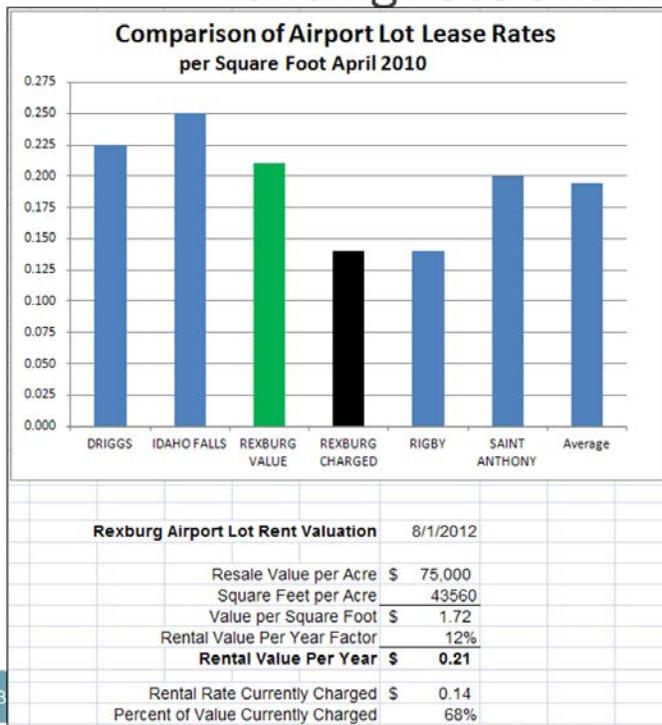
Annual Revenue Sources:

Property Taxes	\$ 2,900 (County)
Fuel Royalty	\$ 2,500
Landing Fees	\$ 800
<u>Rents—Lease for Lots</u>	<u>\$ 16,100</u>
Total	\$ 22,300

Federal Grants	Varies Depending on Projects
State Grants	Varies Depending on Projects

Discussion: UPS is the only customer paying a landing fee, ~~which is~~ which is \$800 per year. Chief Finance Officer Horner presented a comparison of lease rates with other local airports and an analysis of charging rent based on lot rent valuation as shown below. Raising the hanger rental fees from \$ 0.14 cents to \$ 0.21 cents per square foot would generate an additional \$9,363.27 annually.

## Landing Fees and Rents



- Rates last changed November 2011 (increased 2 cents).
- Raising Rates to 21 cents would generate an additional \$9,363.27 annually
- The Average lot size is 2,572.32 square feet, which means their rate would increase \$180.06 to \$540 Annually

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### Capital Projects

Current Funding Structure:

Airport Receives \$153,750 annually from FAA and State to go toward approved projects

- Funds can be carried over (up to 4 years) & accumulated for larger projects
- Funds are received after projects are completed once requested by City of Rexburg Engineering Department
- Funds require a 2.5% match from the Airport Fund, which is a match of \$3,750 annually for capital projects
- FAA does not reimburse for in-house engineering without a force account
  - City has been unable to create and get approved a force account
  - FAA will reimburse engineering if contracted out to private firms
- The State of Idaho reimburses 2.5% of a total project cost
- The Airport Fund is also responsible to pay 100% of capital project costs that might exceed the \$150,000 annually as well as any capital purchased that is not FAA approved
  - (i.e. vehicle or equipment)

Discussion: The state reimbursement will change to 3% with a 7% match from the City/County. The current funding need of \$1,000,000 is to move the taxi way to allow 240 feet of taxi way and redo the apron (*the paved area immediately in front of airport buildings, on which aircraft are loaded and unloaded*) in 2014.

### Capital Projects

Future Funding Structure (Effective Immediately):

Airport will receive \$155,000 annually from FAA and State to go toward approved projects

- The State of Idaho will reimburse 3% of a total project cost

- This will leave a 7% match required by the Airport fund, which is a match of \$11,667 annually for capital projects

Discussion: There needs to be a five year Capital Improvement Plan.

1. One immediate need is to fix the front gate; otherwise the fence is not secure.
2. The airport is also in need of a new snow plow.
3. There is a drainage problem at the front gate too.
4. Weed control – spray the weeds at least twice per year
5. The north end of the runway needs a fence repaired to prevent livestock intrusion.
6. David Taylor reviewed the need to extend the runway for aircraft safety.

**Current Financial State** of Airport Fund:

- 07/31/12- Fund Balance (\$70,748)
- Estimated Fund Balance if Grant Revenues had been collected in full (\$21,631)

Discussion: There is a need to increase revenue to reduce and eventually eliminate the negative fund balance.

**Additional Considerations:**

The City of Rexburg currently provides multiple services for the Airport at no charge as follows:

- Engineering (partial)
- Legal
- Book Keeping-Budgeting, Accounts Payable, PO's, Budget Reports, Annual Financial Reports and Audit
- Management of Lease Agreements
- Code Enforcement
- Misc. Services of Public Works as necessary (The County also provides these services upon request).

The overhead costs (which does not include engineering and code enforcement) would total approximately \$4,000/Year

**Engineering Review 2001-2012:**

- City of Rexburg billed \$60,100 during that period
- Had the City billed at normal engineering rates, the Airport Fund would be responsible to pay an additional \$26,700 for a total of \$86,800 in engineering
- Had we contracted out the Engineering, costs would have likely been double what the City has charged
- The City also contributed \$54,000 to the Airport Fund in 2009 to pay for Street right-of-way on Pioneer Road

**Moving Forward:**

1. Should the Airport Fund be charged for their appropriate share of overhead?

**Discussion:** The County will continue to pay about \$2,900 in tax revenue while the City will continue to cover the overhead costs of administering the airport accounting and other administration costs at no charge to the airport fund.

2. Should we begin to utilize outside engineering firms, which will reduce the scope of the projects?

**Discussion:** The city has been covering the engineering costs for airport projects. In the future, the engineering will be looked at on a case by case basis to decide whether to outsource the engineering or keep it in house.

3. Should the lot lease rate be at fair market value and contribute to some of the capital projects and pay down the negative fund balance?  
or
4. Should the City and County contribute to cover the capital projects?

**Discussion** to use City/County resources to help repair the front gate at the airport to secure the fence. Permeable asphalt would be one solution to help with ponding water at the front gate.

**Council President Mann** moved to approve the repair of the security fence gate at the entryway and the fence on the north end of the runway; Council Member Busby seconded the motion; discussion: there will need to be some excavation, ¾ inch gravel, check grade for drainage, split paving costs with the county, and use permeable asphalt. Mayor Woodland asked for a vote:

**Those voting aye**

Council Member Busby  
Council President Mann  
Council Member Benfield  
Council Member Merrill  
Council Member Smith

**Those voting nay**

None

**The motion carried.**

**Commissioner Todd Smith** made a motion to participate in fixing the gate and needed repairs at the airport, as an in-kind match as well as some financial match; Commissioner Weber seconded the motion;

Commissioner Kimber Ricks asked for a vote:

**Those voting aye**

Commissioner Kimber Ricks  
Commissioner Todd Smith  
Commissioner Jon Weber

**Those voting nay**

None

**The motion carried.**

**David Taylor** asked for a Resolution of Commitment for necessary projects and maintenance in the near future. Council Member Jordan Busby asked if we were prepared to make a monthly commitment to the airport fund. Finance Officer Horner suggested raising the fuel royalty to raise additional funds, David Taylor thought that would drive traffic away and hurt fuel sales.

**Discussion** was held on airport expansion with no resolution due to funding. The Rexburg Madison County Airport adds to the community amenities; it adds to the quality of the community; it is part of the puzzle. The recent airport study was available for reference. Phil Packer mentioned that President Clark would like to see an expansion; however, they don't pretend to know what that involves.

Taxpayers contributing to the airport were discussed and how they would feel about this contribution. The airport is one of many pieces of the puzzle that go to putting together a community i.e. parks, golf courses, etc. It is up to all of us to keep things in good repair and make the city a place where people want to come and visit, live, shop and play.

**Discussion** on the hanger rates continued and the question was asked as to whether the fees should be raised to fair market value to provide additional revenue to help cover the costs of the airport. The City Council discussed raising the fees as proposed. A budget item could be added to the County and City budgets in the future, but was not recommended at this time.

**Council Member Smith** moved to set a public hearing date September 05, 2012 at 7:30 P.M. to take public comment on the proposal to raise the hanger rental fees at the airport from \$ 0.14 cents to \$ 0.21 cents per square foot as discussed; Council Member Benfield seconded the motion; discussion: the Golf Board is proposing an increase in golf fees too. Mayor Woodland asked for a vote:

**Those voting aye**

Council Member Busby  
Council President Mann  
Council Member Benfield  
Council Member Merrill  
Council Member Smith

**Those voting nay**

None

**The motion carried.**

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Discussion from Commissioners Kimber Ricks, Todd Smith, and Jon Weber to approve a resolution to have a joint public hearing with the City of Rexburg to consider raising the rental fees at the airport from \$ 0.14 cents to \$ 0.21 cents per square foot as discussed.

Recap:

1. The County will continue to pay about \$2,900 in tax revenue while the City will continue to not charge for the overhead costs of administering the airport accounting and other administration costs.
2. The city has been covering the engineering costs for airport projects. In the future, the engineering will be looked at on a case by case basis to decide whether to outsource the engineering or keep it in house. City/County resources will be used to help repair the front gate at the airport to secure the fence. Permeable asphalt would be one solution to help with ponding water at the front gate.

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Richard S. Woodland, Mayor

Attest:

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Blair D. Kay, City Clerk