

Memo

To: City Council
From: Bryan Myrkle, Director of Community Development
Date: April 10, 2015
Re: Bid acceptance – airport hay

When I was given responsibilities over the Beach airport several years ago, I began looking at ways to both increase revenue and decrease expenses, in an effort to reduce the cost of operation.

One significant expense at that time was mowing. We paid a local gentleman approximately \$4,000 to mow the grass at the airport three times per year (separate from the finish mowing). Once it was mowed, another local farmer would rake and bail this grass hay and remove it from the field.

Believing that the hay had some value, a previous effort had been made to seek bids for it, but there was no interest and no bids received, so the mowing arrangement endured for several more years.

After a couple years, we were able to reach an agreement with a different local farmer who was willing to mow the field at no cost if he could take the hay. This was a big improvement that eliminated the mowing expense, and also endured for several years.

This past fall, I was approached by two different local farmers who indicated they would be willing to pay the city for this grass hay and also perform the mowing, raking and bailing.

With this level of interest, it seemed appropriate to try to put the grass hay at the airport out to bid once again. So, we let bids earlier this spring and received two very good proposals.

The high-bidder is Jeremy Droscha, the farmer who currently has the hay operation, and who submitted a bid of \$8,000 per year for the next three years.

This represents a positive difference of approximately \$12,000 to the airport budget since taking active control of the airport several years ago – from \$4,000 in annual expense, to \$8,000 in annual revenue.

Therefore, I recommend the City Council accept the bid from Jeremy Droscha for grass hay at the Fitch Beach Airport.