



STILL PIONEERING

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## REPORT TO AIRPORT AUTHORITY

SRAA-16-24

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**Date of Meeting:** June 2, 2016

**Subject:** Rates and charges review and sub-committee

**Purpose of Report:** Review rates and charges adjustments for FY 2016-2017

**Background:** The Federal Aviation Administration (FAA) grant assurances require airport sponsors to maintain a rate structure which represents the fair market value and creates an environment at the airport to be as financially self-sufficient as is possible. The Authority performs an annual rate review for appropriate adjustments to meet the FAA grant assurances requirements. Typically the Authority would appoint a small sub-committee to work with the staff for rate reviews associated with our standard rates for services which are not related to existing leases and agreements. Additionally, this sub-committee may function along with staff to set new rates for terminal services and rentals connected to the airline service beginning later this year.

**Discussion and Report:** The rate adjustments for land and property leases are included in the written leases and are based on Consumer Price Index (CPI) movement during the past 12 months. The rate adjustments are made as directed by the lease agreement and require no action from the Authority. These adjustments will be made by staff effective July 1, 2016 billing year. I have attached a copy of the current rates effective July 1, 2015 for reference purposes.

**Budget:** Revenue generation is a key element to offset costs of running the City as well as the airport. The airport will be examining all opportunities for creating and generating revenues to the airport.

**Recommendation:** Airport staff recommends the appointment of a rate review sub-committee to review rates and charges as well as look at possible rates needed for the new services ahead.

**Prepared by:** Gary Johnson

**Date of Preparation:** May 17, 2016

**Attachments:** 1