

## AVIATION BOARD BACKGROUND LETTER

**Aviation Board Meeting Date:** May 17, 2021

**To:** Chair Richmond and Aviation Board Members

**Cc:** Mayor Mitch Reynolds

**From:** Ian Turner, Airport Director

**Subject:** 21-0709 – 2020 End of Year Airline Fee Reconciliation and Abatement

**Summary:**

This action is a requirement under Section 7.6 – *Year-End Adjustment of Rates and Charges*, of the airline agreement. This section requires that the Airline Schedule of Fees be corrected from the budgeted rate to the actual rate for each budget year.

**Previous Action:**

This is an annual action by the Aviation Board.

**Background:**

The Airline Reconciliation is done by updating the lease exhibits, which are included with this Aviation Board item as Schedules 1 through 3. The result indicates that the signatory airlines were charged less than the actual expenses required for the airport to operate the facilities and services required by the airlines. This is shown on the last page of the attachment titled *2020 End of Year Airline Payment Reconciliation Worksheet*. The under-charged amount totaled \$144,731.92.

It has been the practice of the La Crosse Regional Airport since at least the 2015 Budget Year to abate this additional fee. This item proposes to do the same for the 2020 Budget Year.

**Financial Implications:**

This item forgoes the additional revenue of \$144,731.92 that would be generated by this reconciliation process.

**Stakeholder Process:**

This item is presented to the Aviation Board for approval.



**Alternatives:**

- 1) This item could be denied, in which the airlines would be billed in accordance with each agreement.
- 2) This item could be amended.

**Staff Recommendation:**

It is recommended to approve this item in keeping with past practice.

**Attachments:**

Schedule 1 – Calculation of Terminal Building Rental Rates

Schedule 2 – Calculation of Landing Fees

Schedule 3 – Operations and Maintenance Expenses with Indirect Expenses  
Allocated to Direct Cost Centers

2020 End of Year Airline Payment Reconciliation Worksheet

