

AVIATION BOARD BACKGROUND LETTER

Aviation Board Meeting Date: May 15, 2023

To: Aviation Board Members

Cc: Mayor Mitch Reynolds

From: Ian Turner, Airport Director

Subject: 23-0520 – 2022 Airline Reconciliation and Fee Abatement for 2022 Budget Year

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 airline was charged more 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 *End of Year Airline Payment Reconciliation Worksheet*. The over-charged amount totals \$22,479.47.

It has been the practice of the La Crosse Regional Airport since at least the 2015 Budget Year to abate this difference. This item proposes to do the same for the 2022 Budget Year.

It is important to note that only Delta Airlines is subject to this process. No other airline was a signatory airline during the 2022 budget year.

Financial Implications:

This item abates the over-charged amount as part of the reconciliation process. Per the *Scheduled Airline Operating Agreement and Terminal Building Lease*, overcharged amounts are to be dedicated to Airport Terminal Building projects. Abating this overpayment will not alter this, but rather the funds will be placed in the Airport Operating Fund Balance.



Stakeholder Process:

This item is presented to the Aviation Board for approval.

Alternatives:

A motion could be made to refund Delta the overpayment.

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

2022 End of Year Airline Payment Reconciliation Worksheet

