

Broward County



Legislation Text

File #: 20-1461, Version: 1

Broward County Commission Regular Meeting

Director's Name: Mark Gale

Department: Aviation

Division: Finance

Information

Requested Action

MOTION TO ADOPT Resolution No. 2020-487 amending the Broward County Administrative Code, the title of which is as follows:

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF BROWARD COUNTY, FLORIDA, PERTAINING TO RATES, FEES, AND CHARGES AT BROWARD COUNTY'S FORT LAUDERDALE-HOLLYWOOD INTERNATIONAL AIRPORT; AMENDING SECTION 39.2 AND EXHIBIT 39.A OF THE BROWARD COUNTY ADMINISTRATIVE CODE ("ADMINISTRATIVE CODE"), TO REFLECT CHANGES TO RATES, FEES, AND CHARGES; AND PROVIDING FOR SEVERABILITY, INCLUSION IN THE ADMINISTRATIVE CODE, AND AN EFFECTIVE DATE.

Why Action is Necessary

A Resolution directing the County Administrator to publish notice of public hearing to consider adoption of the Resolution amending the Broward County Administrative Code ("Administrative Code") was adopted by the Broward County Board of County Commissioners ("Board") at its meeting on September 10, 2020.

What Action Accomplishes

Provides for adoption of a Resolution to amend Chapter 39 of the Administrative Code to update its rates, fees, and charges in accordance with the Airline-Airport Lease and Use Agreement.

Is this Action Goal Related

No

Previous Action Taken

None.

Summary Explanation/Background

THE AVIATION DEPARTMENT RECOMMENDS APPROVAL OF THE ABOVE MOTION.

This action will provide for adoption of a resolution amending Chapter 39 of the Administrative Code to update the rates, fees, and charges in accordance with the Airline-Airport Lease and Use Agreement.

The proposed resolution by the Broward County Aviation Department ("BCAD") will amend Chapter

39, of the Administrative Code; Section 39.2, "Rates, Fees, and Charges-Fort Lauderdale-Hollywood International Airport," and Exhibit 39.A, "Broward County Aviation Department".

In accordance with the Airline-Airport Lease and Use Agreement ("Agreement"), terminal rental rates, facility usage fees, and landing fees are to be reviewed and adjusted at the beginning of each Fiscal Year. The contractual rate making formulas that are defined in the Agreement are based on a residual rate making methodology, which requires rates to be set at a level that assures expenditures are adequately covered. This methodology uses BCAD's budgeted revenues, expenses, debt service, and certain capital outlays to calculate rental rates, facility usage fees, and landing fees.

BCAD presented the Fiscal Year 2021 budget to the Board during a workshop that was held on August 27, 2020. BCAD also presented and reviewed the proposed Fiscal Year 2021 operating budget and changes to rates and charges with the Airline-Airport Affairs Committee ("Committee") on August 4, 2020. While the Committee's approval of the operating budget is not required under the Agreement, the Committee concurred with the proposed charges, which are included in Exhibit 1.

Based on the amended rates, the average airline Cost per Enplaned Passenger ("CPE") is projected to be \$12.01 in Fiscal Year 2021. The estimated CPE for Fiscal Year 2020 is \$17.29, which includes a projected year end airline true up as defined in the Agreement. The decrease from Fiscal Year 2020 to Fiscal Year 2021 is primarily due to the application of \$95 million in CARES grant award funds to the airline rate base.

The proposed changes will be effective October 1, 2020.

Source of Additional Information

Mark E. Gale, A. A. E., CEO/Director of Aviation, (954) 359-6199

Fiscal Impact

Fiscal Impact/Cost Summary

Revenues from the Chapter 39 rates and charges are estimated to be approximately \$132 million for Fiscal Year 2021.