



## AGENDA MEMORANDUM

Future Item for the City Council Meeting of December 10, 2013  
Action Item for the City Council Meeting of December 17, 2013

**DATE:** November 11, 2013  
**TO:** Ronald L. Olson, City Manager  
**FROM:** Fred A. Segundo, Director of Aviation  
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Authorize use of Passenger Facility Charge funds for payment of debt service associated with terminal and roadway improvements at Corpus Christi International Airport.

### **CAPTION:**

Ordinance appropriating \$1,138,856 from the Unreserved Fund Balance in the Passenger Facility Charge Fund No. 4621 and transferring and appropriating \$823,854 to the Airport 2012A Debt Service Fund No. 4640 and \$315,002 into Airport 2012A Debt Service Fund No. 4641 for debt service on Airport Improvements; amending the FY 2013-2014 Capital Budget adopted by Ordinance No. 029916 to increase appropriations by \$1,138,856.

### **BACKGROUND AND FINDINGS:**

Passenger Facility Charges (PFC's) for the Corpus Christi International Airport were approved by the Federal Aviation Administration to fund projects and debt service on terminal building and roadway improvements. The terminal and roadway projects were funded by the 2000 A&B Series Bonds and were completed in 2000. Appropriation of PFCs will be used to pay only debt service. In July 2012, the original Series 2000 A & B revenue bonds were refunded and replaced with the Series 2012 A & B General Obligation bonds. The bonds are serviced entirely from airport revenue. The current PFC charge is \$4.50 per enplaned passenger and must be appropriated prior to any expenditure.

### **ALTERNATIVES:**

The only possible option is to fund the \$1,138,856 in debt service entirely from the Airport Operating Fund. This is not a financially viable option as the Fund has a balance of approximately \$5 million and debt obligations continue until 2030

### **OTHER CONSIDERATIONS:**

Not applicable

### **CONFORMITY TO CITY POLICY:**

Projects funded are consistent with Airport Master Plan and the funding plan is consistent with the City's Financial Policies.

**EMERGENCY / NON-EMERGENCY:**

Non-Emergency

**DEPARTMENTAL CLEARANCES:**

Legal  
Financial Services  
Management and Budget

**FINANCIAL IMPACT:** CIP

<b>Fiscal Year: 2013-2014</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget		0		0
Encumbered / Expended Amount		0		0
This item		\$1,138,856		\$1,138,856
BALANCE		\$1,138,856		\$1,138,856

Fund(s): Passenger Facility Fund - 4621

**Comments:** Passenger Facility Charge funds and budgeted operating funds combine to provide the total debt service requirement.

**RECOMMENDATION:**

Staff recommends approval of the ordinance as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance