



AGENDA MEMORANDUM

First Reading for the City Council Meeting of April 23, 2013
Second Reading for the City Council Meeting of April 30, 2013

DATE: April 2, 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:

Appropriating \$850,981 from the Unreserved Fund Balance in the Passenger Facility Charge Fund No. 4621 and transferring and appropriating \$664,118 to the Airport 2012A Debt Service Fund No. 4640 and \$186,863 into Airport 2012A Debt Service Fund No. 4641 for debt service on Airport Improvements; amending the FY 2012-2013 Capital Budget adopted by Ordinance No. 029565 to increase appropriations by \$850,981.

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 \$850,981 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 2025

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

Fiscal Year: 2012-2013	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		0		0
Encumbered / Expended Amount		0		0
This item		\$850,981		\$850,981
BALANCE		\$850,981		\$850,981

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