

## Legislation Text

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**File #:** TMP-1193, **Version:** 1

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An Ordinance approving a New Schedule of Discounts For Fuel Sales at the Lee's Summit Municipal Airport.

### Key Issues:

- The Airport operates as an enterprise fund and is expected to cover operational expenses by generating revenue through hangar rental, fuel sales, ground leases, and charges for services.
- Fuel pricing and discounts are a consideration when choosing to use, or base an aircraft at an airport.
- In FY20, the markup on all fuels will be increasing
- Providing a lower cost fueling option acts as a tool attract and retain based and transient customers.

### Proposed Committee Motion:

I move to recommend to City Council approval of an Ordinance approving a New Schedule of Discounts For Fuel Sales at the Lee's Summit Municipal Airport.

### Background:

The Airport operates as an enterprise fund and is expected to cover operational expenses through hangar rental, fuel sales, and ground leases. Annually, the Airport reviews the fuel mark-up rates, fees for services, and discounts to ensure that the Airport is generating enough revenue to cover operational cost. Additionally, keeping up with the local market to remain competitive in the marketplace, and is able to plan for future equipment and facilities.

The Airport has determined that an increase in the fuel markup on both Jet-A and 100LL is required to cover new operating expenses, remain competitive in the local market, plan for future facilities and equipment. The Airport will be increasing the retail price for 100LL Avgas an additional \$0.45/gal. and an additional \$0.65/gal. on Jet-A before discounts in FY20. To continue to retain and attract customer the schedule of discounts needs to be updated.

### Proposed Discounts

See attached Exhibit A

Joel Arrington, Assistant Airport Manager

### Recommendation:

Staff recommends approval of an an Ordinance approving a New Schedule of Discounts For Fuel Sales at the Lee's Summit Municipal Airport.

Committee Recommendation:

The Board of Aeronautical Commissioners voted unanimously 7-0 to recommend to City Council approval of an Ordinance approving a New Schedule of Discounts For Fuel Sales at the Lee's Summit Municipal Airport.