

BILL SUMMARY

BILL NO: 2009-125

SPONSOR: Councilman Penfold

SUBJECT: Cost Share Agreement with the Federal Aviation Administration for Air Traffic Control Services at the Jefferson City Memorial Airport for the Period of October 1, 2009 to September 30, 2010.

DATE INTRODUCED: January 19, 2010

Origin of Request: Department of Community Development / Airport Division

Summary: The agreement is effective October 1, 2009

Background information: This is a cost share agreement between the City of Jefferson and the Federal Aviation Administration for the purpose of participating in the FAA's Federal Contract Tower Cost Sharing Program. The amount of local match for air traffic control services is determined by a benefit cost ratio that is calculated by the FAA every two years. The benefit cost ratio for the Jefferson City Memorial Airport has been confirmed as .82. As a result, the City is responsible for 18 percent of the total annual cost if air traffic control services, while the FAA assumes 82 percent of the cost. The FAA currently contracts with Midwest ATC Services to provide air traffic control services for this region. The air traffic control personnel are employed by Midwest ATC.

Fiscal Information: The letter of transmittal indicates this agreement is an interim agreement which will be adjusted when the 2010 labor rates are in place. In the meantime, air traffic control services at the airport currently cost the FAA \$411,528 annually (\$34,294 per month). The airport's portion of this cost is 18 percent, or \$57,920.40 annually (\$4,826.70 per month). The City's portion is eligible for grant reimbursement through an agreement with the Missouri Department of Transportation at 50 percent of the monthly payment. After reimbursement, the cost to the City is \$28,960.20 annually (\$2,413.35 per month).

Department Responsible: Department of Community Development

PERSON RESPONSIBLE: PATRICK E. SULLIVAN/Janice McMillan/Ron Craft

Staff Recommendation: Approve.