



# Agenda Report

**MEETING DATE:** Tuesday, February 23, 2021

**TO:** City Council

**FROM:** AIRPORT DIRECTOR WILLIAMS  
AIRPORT OPERATIONS SUPERVISOR ROSAS

**SUBJECT:** AUTHORIZE CITY MANAGER TO AUTHORIZE AN INCREASE IN  
BUDGET FOR FUEL AND LUBRICANTS- CHARGE OUT  
ACCOUNT #730-560-7562

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## **STATEMENT OF ISSUES:**

Aircraft fuel sales increased due to unforeseen events despite the Covid-19 Pandemic and staff is projecting that fuel sales will continue to increase causing funds appropriated to Fuels and Lubricants to run out by April 2021.

## **RECOMMENDED ACTION:**

Staff recommends that the City Council amend the Fiscal Year 2020-2021 Budget for the Municipal Airport (KWVI) by increasing the Fuels and Lubricants charge out account by \$182,650.00.

## **DISCUSSION:**

The Municipal Airport sells aviation grade fuel as service congruent with its business model. The fuel types (aviation gasoline and jet fuel) can only be used in aircraft and are purchased, stored and subsequently sold to Airport tenants, transient customers and fixed based operators (FBOs).

The airport typically sells upwards of 150,000 gallons of aviation grade fuel (AvGas) and 75,000 gallons of Jet-A fuel annually.

Despite a projected decrease in fuel sales of 20% due to the Covid-19 Pandemic, the sales have increased due to unforeseen events, such as the wildfires and an increase in private travel. Staff projects that fuel sales will continue to increase consistent with fuel sales in Q3 and Q4 of Fiscal Year 2019-2020. As of mid-year, the expenditures in the Airport's Fuels and Lubricant account have accounted for 63% of our fuel budget and at the current rate it is projected the account will run out of funds by April 2021.

This proposed budget appropriation of \$182,650.00 will allow the Municipal Airport to increase AvGas (100LL) sales by 30,000 gallons at an average price of \$3.15 and JET-A sales by 41,000 gallons at an average price of \$2.15.

**STRATEGIC PLAN:**

This appropriation is consistent with Strategic Plan objectives of improving and maintaining infrastructure. 03-Infrastructure & Environment

**FINANCIAL IMPACT:**

With the proposed increase in fuel budget and current sale price of \$4.00, the Municipal Airport will generate at least \$101,350 in additional revenue.

**ALTERNATIVE ACTION:**

No reasonable alternatives are known at this time.

**ATTACHMENTS AND/OR REFERENCES (If any):**

None.