

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
September 13, 2007
9:30 a.m.

To: Board of Supervisors

From: Sacramento County Airport System

Subject: **REPORT BACK – Sacramento Executive Airport Fueling Prices**

Contact: Lisa J. Stanton, Deputy Director Finance & Administration (874-0792)

Overview

On September 6, 2007, the Board requested information in regards to aviation fuel pricing at Sacramento Executive Airport.

Recommendation

Receive and file this report.

Measures/Evaluation

Not applicable.

Fiscal Impact

Not applicable

BACKGROUND:

On September 6, 2007, the Board requested information in regards to the aviation fuel prices at Sacramento Executive Airport.

DISCUSSION:

Prior to July 1994, the majority of fueling at Executive was performed by Sacramento County Airport System (County Airport System) staff and the product price was established by the County.

Fixed Base Operators (FBO) are typically the provider of aviation fuel at general aviation airports such as Executive Airport. Effective July 1, 1994, with Board approval, the County Airport System stopped providing fueling services and, instead, allowed the FBOs at Executive Airport to take over fuel sales. Each FBO establishes pricing for the products and services it sells.

The County Airport System receives a fuel flowage fee for each gallon of fuel delivered by the FBO to a customer. In the late 1990s the general aviation industry was experiencing a downturn which negatively affected our tenants' revenue generation. On July 29, 1997, the Board

approved reducing the fuel flowage fees from \$0.12 per gallon to the current level of \$0.05 per gallon. Revenue to the Airport Enterprise Fund from fuel flowage fees at Executive Airport totaled \$46,198 in Fiscal Year 2006-07.

While the County Airport System encourages its FBOs to establish competitive prices in order to attract aircraft operations to use our airport facilities, we do not regulate the pricing of the services or products the FBOs sell.

MEASURES/EVALUATION:

Not Applicable

FINANCIAL ANALYSIS:

Not Applicable

Respectfully submitted:

G. HARDY ACREE
Director of Airports

APPROVED:

TERRY SCHUTTEN
County Executive

Concur:

GEOFFREY DAVEY
County Financial Operations Officer