

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

REVISED

AGENDA ITEM SUMMARY

Meeting Date: March 11, 2008 [X] Consent [] Regular
[] Workshop [] Public Hearing

Department:

Submitted By: Department of Airports

Submitted For:

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve:

- (A) The sale of all common stock shares held by the County arising from bankruptcy distributions of Delta Air Lines Inc. (Delta) and,
- (B) The designation of the Clerk & Comptroller, or her designee, as the Primary Authorized Person to act on behalf of the County to handle the sales transaction with Fidelity Brokerage Services, LLC.

Summary: Delta filed for bankruptcy protection on September 14, 2005 with outstanding payments to the County's Department of Airports in the amount of \$695,829. Under Chapter 11 of the United States Bankruptcy Code, debtors are granted relief from paying outstanding debts at the time of bankruptcy filing. Pursuant to the Plan of Reorganization from Delta and as approved by the US Bankruptcy Court, pro rata shares of common stock were issued to general unsecured creditors. The County's estimated stock value for Delta is \$253,000, before transaction fees. Additional distributions are not expected. All Airport fees subsequent to the filing date have been paid on a timely basis.

Under the terms and conditions of the County's Airline-Airport Use and Lease Agreement, unpaid debt is charged to all airline companies operating at Palm Beach International Airport (PBIA) as a component of terminal rents and landing fees. Therefore, the Department has recovered the value of the unpaid pre-petition debt through ongoing rates and charges. Countywide (AH)

Background and Justification: The Department of Airports operates as an enterprise fund. Under this concept all expenditures are funded by user fees, including airport revenues, grants (derived from aviation fuel taxes), and Passenger Facility Charges; therefore, airport operations have no ad valorem impact to the County.

Airline companies operating at PBIA pay terminal rentals and landing fees to support the operating and debt costs of the various facilities used in the performance of air transportation. Annually, airline companies pay approximately \$21.5 million in rentals and landing fees to the County.

Attachments: None

Recommended By: W. J. [Signature] 2/28/08
Department Director Date

Approved By: [Signature] 3/5/08
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

FISCAL YEARS	2008	2009	2010	2011	2012
Capital Expenditures					
Operating Costs					
External Revenues (Grants)					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT					
# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included In Current Budget? Yes _____ No _____

Budget Account No.: Fund 4100 Department 120 Unit _____ BS Account 1154

Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Approval of this item will result in the receipt of approximately \$253,000 before transaction fees. This receipt is in payment of an accounts receivable which has been previously established by the Department, and is not considered as fiscal year 2008 revenue.

C. Departmental Fiscal Review: Michael Simon

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

Jim Dul 2/26/08
OFMB
2/27/08
CN
2/7/8

J. Jacoby 2/27/08
Contract Dev. and Control
2/27/08

B. Legal Sufficiency:

Arnone Delgado 2/28/08
Assistant County Attorney

C. Other Department Review:

Department Director