



FY17 SkyWest Airlines Minimum Revenue Guarantee

FY17 SkyWest MRG Timeline

On May 24th, SkyWest Airlines notified the Airport that the MRG for FY17 would remain unchanged from FY16 at \$1,916,735.

On June 2nd, the Airport travelled to St. George, UT to visit with SkyWest and attempt to negotiate better schedules, airfares, and a lower MRG.

On June 8th, the Airport received a revised MRG Agreement that dropped the initial proposed amount by \$303,394 to \$1,613,341.

FY17 Funding Changes

In March 2016, the Wyoming Department of Aeronautics changed their funding methodology for the Air Service Enhancement Program. The new rules state that WYDOT will pay no more than 60% of a MRG. In comparison, WYDOT is currently funding 69% of our MRG.

With this change in funding philosophy, our efforts to reduce the MRG will still result in the local communities having a larger responsibility as seen in the following chart.

	2014 – 2015	2015 - 2016	2016 - 2017	Difference
Total Contract	\$2,042,059.00	\$1,916,735.00	\$1,613,341	(\$303,394)
State	\$1,323,792.00	\$1,323,792.00	\$968,004.60	(\$355,787.40)
City/County	\$718,267.00	\$592,943.00	\$645,336.40	\$52,393.40
Rock Springs – 33%	\$237,028.11	\$195,671.19	\$212,961.01	\$17,289.82
Green River – 22%	\$158,018.74	\$130,447.46	\$141,974.01	\$11,526.55
Sweetwater County – 45%	\$323,220.15	\$266,824.35	\$290,401.38	\$23,577.03

The Airport has requested a waiver to this 60/40 split so that the local communities are not saddled with any additional expense compared to FY16.

The Aeronautics Commission will review this request at their June 21st Meeting that will be held after the County Commission Meeting, but before the City Council Meetings for Rock Springs and Green River.

The amounts above represent the worst case scenario in terms of our local financial obligation.