

THE CITY OF PRINCE ALBERT



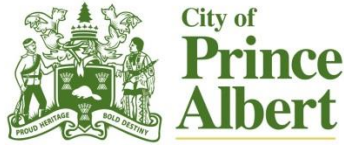
AIRPORT FUND BUDGET FOR YEAR ENDING DECEMBER 31, 2021

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Budget Overview



The City Of Prince Albert received ownership of the Airport in 1996 and since that time, has attempted to operate the facility as a self-funding entity. In 2006 City Council authorized a transfer of 30 percent of the total cost of the Airport operation to be funded from the City's General Fund, and in 2010 implemented the Passenger Facility Fee (PFF) as a means to fund capital Airport improvements.

For 2021 there are budgetary adjustments to the revenues and expenditures of this particular Fund. These adjustments are shown on page 6 of this document.

The Airport has experienced a decrease in revenue related to the COVID-19 pandemic. The pandemic and its impact on the Airport will continue into 2021. The financial impact for 2021 can only be estimated based on what we know today.

The 2021 Budget numbers provided are based on the assumption that the Airport is operating as normal (with the exception of a budgeted decrease in Passenger Facility Fee (PFF) revenue which has been adjusted). This allows for better estimates of the financial impact of COVID-19.

COVID-19 Financial Impact and the 2021 Budget

The estimated financial impact of COVID-19 for 2021 is a reduction to revenues of \$53,600. In 2020, The City received funding from the Saskatchewan Government Municipal Economic Enhancement Program (MEEP) and funding from the Federal Government Safe Restart Program. The 2020 remaining funds from these sources is estimated at \$2.9 million depending on the final year-end financial impact due to the pandemic. The remaining funds will be able to cover the estimated \$53,600 of revenue loss projected for 2021.

Budgeted Revenue – Decrease of \$47,100

The most significant budgetary adjustments to revenue are discussed below:

- \$44,000 decrease to PFF revenue based on a review of passenger counts in 2020 and expectations for 2021 considering the impact of COVID-19. PFF revenue is transferred to the PFF Reserve.
- \$10,000 decrease to parking revenue related to an adjustment in annual parking rates for 2021 from \$720 per month to \$650 per month. This was approved by Council in 2019 in order to provide consistent rates to all City owned parking lots.
- (\$6,900) increase to Airport lease revenue.

Budgeted Expenses – Increase of \$67,440

Some of the significant budgetary adjustments to expenses are discussed below:

- \$32,000 increase to salaries wages and benefits related to base adjustments, a review of actual costs charged, and provisions for future collective bargaining negotiations.
- \$70,000 increase to contracted and general services for airfield marking painting, pavement load rating testing, and other one-time expenditures. The increase is offset by a \$50,000 transfer from the Airport Maintenance Reserve.
- \$26,210 decrease to maintenance materials and supplies primarily due to the removal of one-time expenditures budgeted in the prior year. There are also new one-time expenditures budgeted for 2021 including replacement of air-band radios and a budget for LED lighting.

2021 Capital Budget

Administration is requesting \$8,383,800 in capital spending at the Airport for 2021. A brief description of the projects and their funding source is provided below.

A total of \$45,000 is to be funded from the Passenger Facility Fee. These projects have been reviewed with the Airline Users:

- Airport support vehicle parking pad - \$30,000
- Low/reduced visibility operations plan - \$15,000

A total of \$471,000 is to be funded from the Airport Improvement Fund. These items include the following:

- Airport Maintenance Garage renovation - \$250,000
- Airport air blower attachment - \$150,000
- Emergency generator - \$50,000
- Airport street signs - \$21,000

A total of \$45,000 is to be funded from the Equipment Fleet Reserve.

- Replacement of Airport truck - \$45,000

A total of \$3,372,800 of capital projects are to be funded from the Airport Capital Assistance Program (ACAP) subject to approvals being received.

- Runway lighting/informational signage - \$2,887,800
- Replacement of runway plow truck and sander - \$420,000
- Apron I drainage improvements - \$65,000

A total of \$4,450,000 of capital projects are to be funded from external financing such as the Canada Infrastructure Program or other funding sources to be identified. These projects would be conditional on obtaining external funding.

- Apron II rehabilitation and expansion - \$3,500,000
- Apron II utilities construction - \$950,000

Airport Improvement Fund Balance

A summary of the 2021 budget's impact on the Airport Improvement Fund balance is as follows:

- The budgeted deficit from operations to be funded by the Airport Improvement Fund in 2021 is \$57,180.
- A transfer in from the Maintenance Reserve of \$50,000 to offset the expense for airfield line painting.
- A transfer of \$471,000 to the Capital Committed Reserve is required for 2021 capital expenditures.
- This results in an estimated net decrease to the Airport Improvement Fund in 2021 of \$478,180 and an estimated closing surplus of \$261,588.

**AIRPORT FUND
OPERATING BUDGET**

For the Year Ending December 31, 2021

	2021 Budget	2020 Budget	(Favourable) Unfavourable Change
REVENUES			
Aircraft Landing Fees	\$ (200,000)	\$ (200,000)	\$ -
Aircraft Parking Fees	(5,600)	(5,600)	-
Passenger Facility Fees	(200,000)	(244,000)	44,000
Parking Revenue	(196,000)	(206,000)	10,000
Airport Lease Revenue	(261,860)	(254,960)	(6,900)
Interest and Penalties	(1,500)	(1,500)	-
Sundry	(22,650)	(22,650)	-
Total Revenues	(887,610)	(934,710)	47,100
EXPENSES			
Salaries Wages and Benefits	403,370	371,370	32,000
Contracted and General Services	238,300	168,300	70,000
Financial Charges	750	750	-
Utilities	112,130	118,730	(6,600)
Fleet Expenses	108,260	108,260	-
Maintenance Materials and Supplies	140,700	166,910	(26,210)
Insurance	21,910	23,660	(1,750)
Bad Debt Expense	2,700	2,700	-
Total Expenses	1,028,120	960,680	67,440
Operating (Surplus) Deficit	140,510	25,970	114,540
CAPITAL AND INTERFUND TRANSACTIONS			
Amortization	600,000	530,000	70,000
Transfer from General Fund	(288,200)	(266,840)	(21,360)
Transfer from Utility Fund	(5,130)	(5,130)	-
Capital and Interfund Transactions	306,670	258,030	48,640
TOTAL (SURPLUS) DEFICIT	447,180	284,000	163,180
Allocated as Follows:			
Total (Surplus) Deficit	447,180	284,000	163,180
Estimated COVID-19 2021 Losses	53,600	-	-
Available COVID-19 Funding from 2020	(53,600)	-	-
Non-Cash Adjustment - Amortization	(600,000)	(530,000)	(70,000)
Total (Surplus) Deficit - Adjusted for Amortization	(152,820)	(246,000)	93,180
Passenger Facility Fees Reserve	200,000	244,000	(44,000)
Airport Maintenance Reserve	10,000	10,000	-
Airport Improvement Fund Balance	(57,180)	(8,000)	(49,180)
	-	-	-

AIRPORT FUND
CAPITAL EXPENDITURES AND RESERVE PROJECTIONS

For the Year Ending December 31, 2021

	2021	2020
CAPITAL COMMITTED RESERVE	Budget	Budget
Budgeted Transactions		
Funding:		
Funding for Capital - via transfer from Airport Improvement Fund Balance (Uncommitted)	(\$471,000)	(\$288,000)
Passenger Facility Fee Reserve	(45,000)	(\$390,000)
Airport Capital Assistance Program (ACAP)	(3,372,800)	(420,000)
Equipment Fleet Reserve	(45,000)	(185,000)
Other External Funding Sources	(4,450,000)	-
Total Funding	(8,383,800)	(1,283,000)
Apron II Rehabilitation and Expansion	3,500,000	-
Runway Lighting/Informational Signage	2,887,800	-
Apron II Utilities - Construction	950,000	-
Runway Plow Truck, Plow and Sander	420,000	-
Airport Maintenance Garage Renovation	250,000	-
Airport Air Blower Attachment	150,000	-
Apron I Drainage Improvements	65,000	-
Emergency Generator	50,000	-
Airport Truck	45,000	-
Aircraft Support Vehicle Parking Pad	30,000	-
Airport Street Signs	21,000	-
Low/Reduced Visibility Operations Plan	15,000	-
Replacement Runway Plow Truck, Plow and Sander (ACAP)	-	420,000
Buried Wildlife Fence	-	200,000
Terminal Renovations	-	190,000
Maintenance Garage Renovation	-	150,000
Replacement Agricultural Style Tractor	-	135,000
Taxiway F Resurfacing	-	132,000
Replacement Rough Mower	-	50,000
Airport Snowmobile	-	6,000
Total expenditures	8,383,800	1,283,000
Budgeted (Increase) Decrease to Reserve	-	-
Reserve Balance, beginning of year (estimated)	-	(220,085)
Capital Carryforward - Outstanding from Prior Years	-	220,085
Reserve Balance, end of year (estimated)	-	-

AIRPORT FUND
CAPITAL EXPENDITURES AND RESERVE PROJECTIONS

For the Year Ending December 31, 2021

	2021	2020
PASSENGER FACILITY FEE RESERVE	Budget	Budget
Budgeted Transactions		
Funding:		
Passenger Facility Fee Levies	(\$200,000)	(\$266,000)
Expenditures:		
Aircraft Support Vehicle Parking Pad	30,000	-
Low/Reduced Visibility Operations Plan	15,000	-
Budgeted (Increase) Decrease to Reserve	(155,000)	(266,000)
Reserve Balance, beginning of year (estimated)	(2,362,264)	(2,096,264)
Capital Carryforward - Outstanding from Prior Years	-	-
Reserve Balance, end of year (estimated)	(2,517,264)	(2,362,264)

	2021	2020
AIRPORT MAINTENANCE RESERVE	Budget	Budget
Budgeted Transactions		
Funding:		
Funding for Reserve - via transfer from Airport Improvement Fund Balance (Uncommitted) - Note 1	(\$10,000)	(\$10,000)
Expenditures:		
Painting of Airfield Markings	50,000	-
Budgeted (Increase) Decrease to Reserve	40,000	(10,000)
Reserve Balance, beginning of year (estimated)	(50,000)	(40,000)
Reserve Balance, end of year (estimated)	(10,000)	(50,000)

Notes:

1) In the 2016 Budget, Council approved \$10,000 per year to be transferred to reserve for future cracksealing costs at the Airport.

AIRPORT FUND
CAPITAL EXPENDITURES AND RESERVE PROJECTIONS

For the Year Ending December 31, 2021

AIRPORT IMPROVEMENT FUND BALANCE (UNCOMMITTED EQUITY)	2021 Budget	2020 Budget
Budgeted Transactions		
Funding:		
Contribution from Operations- (Surplus) Deficit	\$57,180	\$8,000
Funding for Operations: via Maintenance Reserve	(\$50,000)	\$0
Total Funding	\$7,180	\$8,000
Expenditures:		
Transfer to Capital Committed Reserve	471,000	288,000
Budgeted (Increase) Decrease	478,180	296,000
Fund Surplus, beginning of year (estimated)	(739,768)	(1,035,768)
Fund Surplus, end of year (estimated)	(261,588)	(739,768)