

THE CITY OF PRINCE ALBERT



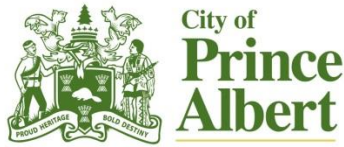
AIRPORT FUND BUDGET FOR YEAR ENDING DECEMBER 31, 2022

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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.

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 2022. The financial impact for 2022 can only be estimated based on what we know today.

The 2022 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 2022 Budget

The estimated financial impact of COVID-19 for 2022 is a reduction to revenues of \$43,000. Areas that will have a financial impact are aircraft landing fees and parking revenue.

Budgeted Revenue – Increase of \$8,000

The most significant budgetary adjustments to revenue are discussed below:

- \$40,000 increase to aircraft landing fees based on realignment of aircraft landing fees weight structure to capture the most common aircraft using our airports.
- \$25,000 increase to PFF revenue based on a review of passenger counts in 2021 and expectations for 2022 considering the impact of COVID-19. PFF revenue is transferred to the PFF Reserve.
- 60,000 decrease to Airport lease revenue. This is due to reduced lease rates based on the recommendations of the Airport Strategic Master Plan study of comparable rates at the other similar airports.
- \$3,000 increase to aircraft parking fees.

Budgeted Expenses – Increase of \$97,510

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

- \$197,410 increase to salaries wages and benefits related to base adjustments, a reallocation of the cost of salaried positions between funds to better reflect where individual's time is spent, and the addition of 2 casual full time positions for janitorial services at the airport (replacing contracted janitorial services).
- \$139,000 decrease to contracted and general services due to removal of one-time expenditures budgeted in the prior year. This decrease also includes \$65,000 for removal of the janitorial services contract for the airport.
- \$16,550 increase to maintenance materials and supplies primarily due new one-time expenditures budgeted for 2022 including replacement of a fire alarm system and a budget for LED lighting.

2022 Capital Budget

Administration is requesting \$5,179,000 in capital spending at the Airport for 2022. A brief description of the projects and their funding source is provided below.

A total of \$681,000 is to be funded from the Passenger Facility Fee. These projects will be reviewed with the Airline Users:

- New Terminal - Detailed Design - \$600,000
- Runway 08 Threshold Concrete Repairs - \$16,000
- Terminal Sidewalk Expansion - \$65,000

A total of \$24,000 is to be funded from the Airport Improvement Fund. These items include the following:

- Automated Opener Gate #2 for Ambulance- \$9,000 (50% cost share by CAP)
- Taxi B Overlay - \$15,000 (50% cost share by CAP)

A total of \$24,000 of capital projects are to be funded from the Community Airport Partnership (CAP) subject to approvals being received.

- Automated Opener Gate #2 for Ambulance- \$9,000
- Taxi B Overlay - \$15,000

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 2022 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 2022 is \$150,750.
- A transfer of \$24,000 to the Capital Committed Reserve is required for 2022 capital expenditures.
- This results in an estimated net decrease to the Airport Improvement Fund in 2022 of \$174,750 and an estimated closing surplus of \$82,610.

**AIRPORT FUND
OPERATING BUDGET**

For the Year Ending December 31, 2022

	2022 Budget	2021 Budget	(Favourable) Unfavourable Change
REVENUES			
Aircraft Landing Fees	(240,000)	(200,000)	(40,000)
Aircraft Parking Fees	(8,600)	(5,600)	(3,000)
Passenger Facility Fees	(225,000)	(200,000)	(25,000)
Parking Revenue	(196,000)	(196,000)	-
Airport Lease Revenue	(201,860)	(261,860)	60,000
Interest and Penalties	(1,500)	(1,500)	-
Sundry	(22,650)	(22,650)	-
Total Revenues	(895,610)	(887,610)	(8,000)
EXPENSES			
Salaries Wages and Benefits	600,780	403,370	197,410
Contracted and General Services	99,300	238,300	(139,000)
Financial Charges	750	750	-
Utilities	118,930	112,130	6,800
Fleet Expenses	124,900	108,260	16,640
Maintenance Materials and Supplies	157,250	140,700	16,550
Insurance	21,020	21,910	(890)
Bad Debt Expense	2,700	2,700	-
Total Expenses	1,125,630	1,028,120	97,510
Operating (Surplus) Deficit	230,020	140,510	89,510
CAPITAL AND INTERFUND TRANSACTIONS			
Amortization	600,000	600,000	-
Transfer from General Fund	(308,440)	(288,200)	(20,240)
Transfer from Utility Fund	(5,830)	(5,130)	(700)
Capital and Interfund Transactions	285,730	306,670	(20,940)
TOTAL (SURPLUS) DEFICIT	515,750	447,180	68,570
Allocated as Follows:			
Total (Surplus) Deficit	515,750	447,180	68,570
Estimated COVID-19 2022 Losses	43,000	53,600	
Available COVID-19 Funding from 2020	-	(53,600)	
Funding to be Determined to Cover Est. COVID Losses	(43,000)		
Non-Cash Adjustment - Amortization	(600,000)	(600,000)	-
Total (Surplus) Deficit - Adjusted for Amortization	(84,250)	(152,820)	68,570
Passenger Facility Fees Reserve	225,000	200,000	25,000
Airport Maintenance Reserve	10,000	10,000	-
Airport Improvement Fund Balance	(150,750)	(57,180)	(93,570)
	-	-	-

AIRPORT FUND
CAPITAL EXPENDITURES AND RESERVE PROJECTIONS

For the Year Ending December 31, 2022

CAPITAL COMMITTED RESERVE	2022	2021
	<u>Budget</u>	<u>Budget</u>
Budgeted Transactions		
Funding:		
Funding for Capital - via transfer from Airport Improvement Fund Balance (Uncommitted)	(\$24,000)	(\$471,000)
Passenger Facility Fee Reserve	(681,000)	(\$45,000)
Airport Capital Assistance Program (ACAP)	-	(3,372,800)
Community Airport Partnership (CAP)	(24,000)	-
Equipment Fleet Reserve	-	(45,000)
Other External Funding Sources	(4,450,000)	(4,450,000)
Total Funding	(5,179,000)	(8,383,800)
Automated Opener Gate #2 for Ambulance	18,000	-
New Terminal - Detailed Design	600,000	-
Runway 08 Threshold Concrete Repairs	16,000	-
Taxi B Overlay	30,000	-
Terminal Sidewalk Expansion	65,000	-
Apron II Rehabilitation and Expansion - Construction	3,500,000	-
Apron II Utilities - Construction	950,000	-
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
Total expenditures	5,179,000	8,383,800
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)	<u>-</u>	<u>-</u>

AIRPORT FUND
CAPITAL EXPENDITURES AND RESERVE PROJECTIONS

For the Year Ending December 31, 2022

2022 Capital Summary

	<u>2022 Capital Budget</u>
Airport Improvement Fund	\$ 24,000
Passenger Facility Fee Reserve	681,000
Equipment Fleet Reserve	-
ACAP/CAP Funding	24,000
To be Determined	4,450,000
	<u>5,179,000</u>

2023 – 2026 Capital Summary

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>
Airport Improvement Fund	\$ 40,000	\$ -	\$ 50,000	\$ -	\$ 90,000
Passenger Facility Fee Reserve	-	97,000	100,000	6,000,000	\$ 6,197,000
ACAP/CAP Funding	-	-	5,550,000	673,000	\$ 6,223,000
External Funding	-	963,000	613,000	23,000	\$ 1,599,000
Fleet	-	-	-	174,000	\$ 174,000
	<u>\$ 40,000</u>	<u>\$ 1,060,000</u>	<u>\$ 6,313,000</u>	<u>\$ 6,870,000</u>	<u>\$ 14,283,000</u>

AIRPORT FUND
CAPITAL EXPENDITURES AND RESERVE PROJECTIONS

For the Year Ending December 31, 2022

	2022	2021
PASSENGER FACILITY FEE RESERVE	Budget	Budget
Budgeted Transactions		
Funding:		
Passenger Facility Fee Levies	(\$225,000)	(\$200,000)
Expenditures:		
New Terminal - Detailed Design	600,000	-
Runway 08 Threshold Concrete Repairs	16,000	-
Terminal Sidewalk Expansion	65,000	-
Aircraft Support Vehicle Parking Pad	-	30,000
Low/Reduced Visibility Operations Plan	-	15,000
Budgeted (Increase) Decrease to Reserve	456,000	(155,000)
Reserve Balance, beginning of year (estimated)	(2,729,049)	(2,574,049)
Capital Carryforward - Outstanding from Prior Years	-	-
Reserve Balance, end of year (estimated)	(2,273,049)	(2,729,049)

	2022	2021
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	(10,000)	40,000
Reserve Balance, beginning of year (estimated)	(10,000)	(50,000)
Reserve Balance, end of year (estimated)	(20,000)	(10,000)

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, 2022

**AIRPORT IMPROVEMENT FUND BALANCE
(UNCOMMITTED EQUITY)**

2022	2021
Budget	Budget

Budgeted Transactions

Funding:

Contribution from Operations- (Surplus) Deficit	\$150,750	\$57,180
Funding for Operations: via Maintenance Reserve	-	(\$50,000)
Total Funding	\$150,750	\$7,180

Expenditures:

Transfer to Capital Committed Reserve	24,000	471,000
Budgeted (Increase) Decrease	174,750	478,180
Fund Surplus, beginning of year (estimated)	(257,360)	(735,540)
Fund Surplus, end of year (estimated)	(82,610)	(257,360)