



# **AIRPORT**

# **FY 2020**

Budget Presentation



# FY18 Service Summary

## Airport

### **Mission:**

- To be a significant economic engine and vital source for transportation services for southeastern Idaho through the development of air service, general aviation and non-aviation land development.

# FY18 Service Output Summary

- Operations staff monitors airport conditions and terminal activities 18.5 hours/day x 7 days/week for compliance with FAA and TSA regulations to include:
  - Daily self-inspection program
  - Wildlife hazard control
  - Snow and ice control
  - Construction control
  - Security access control
  - Threat detection
  - Condition Monitoring (Notice to Airmen Program)

# FY18 Service Output Summary Cont'd

- Maintenance staff maintains:
  - 3,400 acres of property including 1,300 acres inside aviation fence and 700 acres in business park
  - 15 million square feet of aviation pavement and safety areas (348 acres)
  - 9 linear miles of airfield lighting plus precise marking and signage requirements
  - 24 City-owned buildings, including passenger terminal
  - 610,000sf (14 acres) landscaping and greenbelt
  - Cover operations shifts as necessary and available
  - Wildlife hazard management
  - Snow and ice control

# FY18 Output Summary Cont'd

- Administration oversees:
  - Over 60 property tenants and development of new tenants
  - Vetting, badging, training, and oversight of over 300 airport users
  - Compliance with all FAA and TSA regulations to provide for a safe and secure airport
  - Administers annual grant program for the airport improvement projects
  - Administers the passenger facility charge program
  - Promotes and markets airport and passenger service to surrounding communities

# Service Measures of Effectiveness, Key Accomplishments:

- Satisfactory FAA Certification inspection of facilities and operations for compliance with 17 federally mandated safety requirements, each one identifying dozens of tolerance criteria.
- Satisfactory TSA Security Program inspection of facilities and operations for compliance with federal security regulations and our Airport Security Program with no discrepancies.
- \$39 million annual economic input (2009).
- Passenger traffic count for 2018 broke a record for the third year in a row as highest in 12 years for airport and highest in 23 years for carrier.
- New private aircraft hangar built on the field for the first time in over 18 years.
- The Airport continues to apply annual CPI increases to all rental fees, which was a 3.3% increase for the current year to assist with increase of operational expenses.

## *Service Issues and Concerns:*

- With the addition of the 4<sup>th</sup> Operations Specialist position we are able to fully cover operations duties and hours. However, additional maintenance staff will be a future consideration in order to maintain level of service.
- Need to establish capital fund to maintain aging infrastructure, facility and equipment; approximately \$60,000/year for ten years to meet urgent needs. Immediate needs for fiscal year 2020 total \$85,000 for mower, operations truck, multiple roof repairs, and HVAC repairs.
- Any additional air service will require considerable investment from the Airport/City/Community. Advertising funds as well as revenue guarantees will be required for any additional service requests.
- Increase in passenger numbers results in an increase in operating expenses due to wear and tear on facilities and increased supply usage. Maintaining the current level of service for a continually increasing number of people is not possible with a static budget.

# Budget Comparison FY19 to FY 20 - Personnel

<b>Airport Fund</b>	<b>Budgeted FY19</b>	<b>Budgeted FY20</b>	<b>\$ Difference</b>	<b>% Difference</b>	
Personnel (wages, all types)	\$486,451	\$492,994	\$6,543	1.35%	
Benefits, Medical	\$120,375	\$120,302	-\$73	-0.06%	
Benefits, Other	\$128,378	\$132,837	\$4,459	3.47%	\$10,929

<b>Airport</b>	<b>Budgeted FY19</b>	<b>Budgeted FY20</b>	<b>\$ Difference</b>	<b>% Difference</b>
<b>Labor / Operating Split</b>				
Labor (wages + all benefits)	\$735,204	\$746,133	\$10,929	1.49%
% of budget to labor	42.29%	44.37%		
Remainder (operating & capital)	\$1,003,447	\$935,447	-\$68,000	-6.78%
<b>Employees</b>	<b>Budgeted FY19</b>	<b>Budgeted FY20</b>	<b>Difference</b>	<b>% change</b>
Full Time	10	10	0	0.00%



# Budget Comparison FY19 to FY 20 – Operating

<b>Airport Fund</b>	<b>Budgeted FY19</b>	<b>Budgeted FY20</b>	<b>\$ Difference</b>	<b>% Difference</b>	
Supplies	\$89,871	\$89,871	\$0	0.00%	
Professional Services	\$82,945	\$72,945	-\$10,000	-12.06%	
Repair Services	\$38,200	\$38,200	\$0	0.00%	
Utilities	\$135,055	\$135,055	\$0	0.00%	
Property Services	\$700	\$700	\$0	0.00%	
Purchased Services	\$46,317	\$46,317	\$0	0.00%	
Loans	\$0	\$0	\$0		
Capital Outlay	\$58,000	\$0	-\$58,000	-100.00%	
Debt Service	\$0	\$0	\$0		-\$68,000

## Budget Comparison FY19 to FY 20 – Revenue

<b>Airport Fund</b>	<b>Budgeted FY19</b>	<b>Budgeted FY20</b>	<b>\$ Difference</b>	<b>% Difference</b>
Property Tax	\$1,019,203	\$1,019,203	\$0	0.00%
Rentals & Leases	\$527,819	\$556,461	\$28,642	5.43%
Charges for Service	\$110,929	\$119,256	\$8,327	7.51%
Miscellaneous	\$1,200	\$1,550	\$350	29.17%
<b>Total</b>	<b>\$1,659,151</b>	<b>\$1,696,470</b>	<b>\$37,319</b>	<b>2.25%</b>

# Budget Authority Increase Request:

- CAPITAL \$69,000, REPLACE TERMINAL CARPORT ROOF, SOFFIT AND USFS UPPER ROOF (Excess reserves)
  - The passenger terminal carport roof is well over 27 years old, has significant leakage, and needs to be replaced (\$22,000). There is major soffit work that needs done around the carport as well, due to damage from the roof leakage (\$17,000). The USFS roof is over 40 years old, has significant leakage, and needs to be replaced. The lower section is being replaced in the current budget year. Replacement of the upper roof section is now needed (\$30,000).
- CAPITAL \$16,000, REPLACE 2 TERMINAL HVAC UNITS (Excess reserves)
  - One unit currently nonfunctional; second unit is functioning but failing.
- CAPITAL \$15,000, SMALL MOWER PURCHASE (Excess reserves)
  - Current model is 12 years old, has high number of hours and is becoming unreliable.
- CAPITAL \$30,000, REPLACE MAINTENANCE VEHICLE (Excess reserves)
  - Current 1995 model becoming unreliable.
- ONE-TIME OPERATING EXPENSES (Excess reserves)
  - \$4,000 Office phone system- no phone system and 1 line currently.
- COST OF OPERATIONS, \$62,625 (Increased revenues \$32,370)
  - Miscellaneous operational cost increases due to 1) increased vendor costs, 2) rising fuel costs, 3) costs of maintaining aging equipment, 4) further adjustment due to change in FAA snow removal requirements, 5) significant increase to marketing funds is needed to sustain and increase passenger numbers.

## *Additional Revenues:*

- The Airport has excess reserves in the amount of \$283,367.
  - Propose use of excess reserves for capital needs (\$130,000) and one-time operating expenses (\$4,000).
- Airport revenue is projected to increase by \$32,370 in FY'20 which can be used in funding a portion of the requested operating expense increase.

## *City Council Guidance requested on:*

- Proposed budget increases
  - Capital
  - One-time Operating
  - Recurrent Operating
- Use of excess reserves
- If guidance is approved these increases will be included in the budget for review during tax solution process.

