



CITY OF PRINCE ALBERT

AIRPORT FUND BUDGET

APPROVED BY COUNCIL AT THE
DECEMBER 12, 2022 CITY COUNCIL MEETING

FOR YEAR ENDING
DECEMBER 31, 2023



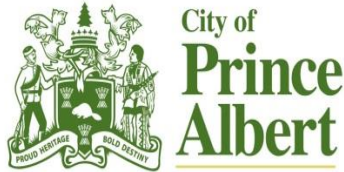
City of
**Prince
Albert**

2023 APPROVED AIRPORT FUND OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2023

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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.

Airfield Maintenance: Airfield maintenance work includes checking fence lines, completing wildlife checks, and inspecting for regulated airfield conditions, including lights, and guidance equipment.

Airfield Snow Clearing: Snow clearing work completed on airside to ensure safe aviation conditions and compliance with regulatory requirements for snow removal.

Airfield Grass Cutting: Grass cutting completed on airside to ensure compliance with regulated specifications for grass lengths.

Terminal Building: Maintenance work on terminal building.

Building Maintenance: Maintenance work completed for the maintenance garage.

2023 APPROVED AIRPORT FUND OPERATING AND CAPITAL BUDGET

For the Year Ending December 31, 2023

2023 AIRPORT FUND BUDGET APPROVED

| | 2023 Budget | 2022 Budget | (Favourable) Unfavourable Change |
|--|--------------------|------------------|--|
| REVENUES | | | |
| Aircraft Landing Fees | (\$240,000) | (\$240,000) | \$0 |
| Aircraft Parking Fees | (8,600) | (8,600) | 0 |
| Passenger Facility Fees | (380,000) | (225,000) | (155,000) |
| Parking Revenue | (225,000) | (196,000) | (29,000) |
| Airport Lease Revenue | (223,260) | (216,860) | (6,400) |
| Airport Sundry - Callouts and ATM | (9,600) | 0 | (9,600) |
| Interest and Penalties | (1,500) | (1,500) | 0 |
| Sundry | (7,650) | (7,650) | 0 |
| Total Revenues | (1,095,610) | (895,610) | (200,000) |
| EXPENSES | | | |
| Salaries Wages and Benefits | 617,820 | 600,780 | 17,040 |
| Contracted and General Services | 142,500 | 99,300 | 43,200 |
| Financial Charges | 750 | 750 | 0 |
| Utilities | 137,710 | 118,930 | 18,780 |
| Fleet Expenses | 132,390 | 124,900 | 7,490 |
| Maintenance Materials and Supplies | 213,030 | 157,250 | 55,780 |
| Insurance | 23,600 | 21,020 | 2,580 |
| Bad Debt Expense | 2,700 | 2,700 | 0 |
| Total Expenses | 1,270,500 | 1,125,630 | 144,870 |
| Operating (Surplus) Deficit | 174,890 | 230,020 | (55,130) |
| CAPITAL AND INTERFUND TRANSACTIONS | | | |
| Amortization | 745,000 | 600,000 | 145,000 |
| Interfund Transfers | (341,570) | (314,270) | (27,300) |
| Capital and Interfund Transactions | 403,430 | 285,730 | 117,700 |
| TOTAL (SURPLUS) DEFICIT | 578,320 | 515,750 | 62,570 |
| Allocated as Follows: | | | |
| Total (Surplus) Deficit | 578,320 | 515,750 | 62,570 |
| Non-Cash Adjustment - Amortization | (745,000) | (600,000) | (145,000) |
| Total (Surplus) Deficit - Adjusted for Amortization | (166,680) | (84,250) | (82,430) |
| Passenger Facility Fee Reserve | 380,000 | 225,000 | 155,000 |
| Airport Maintenance Reserve | 10,000 | 10,000 | 0 |
| Transfer from Airport Maintenance Reserve | (60,000) | 0 | (60,000) |
| Transfer for Capital Funding | 9,000 | 24,000 | (15,000) |
| Transfer from Airport Improvement Fund | (172,320) | (174,750) | 2,430 |
| | 166,680 | 84,250 | 82,430 |
| | 0 | 0 | 0 |

2023 AIRPORT FUND REVENUES

Budgeted revenue for the Prince Albert Airport **increased** by **\$200,000** for 2023 as follows, representing an increase of 22.33%.

- \$155,000 increase in revenue to be collected from the Passenger Facility Fees charged.
- \$29,000 increase for parking revenue due to more parking stalls being rented.
- \$10,000 new revenue for call out fees.
- \$6,400 increase for Hanger lease revenue. New lease rates of \$2.20/m² were applied from 2021 to 2026 for hangar land lease space.
- (\$400) reduction in revenue from ATM machine.

USER CHARGES AND FEES REVENUE

\$240,000 Aircraft Landing Fees – Rates were restructured in 2021 to capture the most typical aircraft used at YPA. Rates have been set until 2026.

\$8,600 Aircraft Parking Fees - Annual or daily fees for parking aircraft on public aprons. Budget for 2023 is the same as Year 2022 and is based on a review of actual results and expectations.

\$126,200 Leases – Hangars – Increased revenue of \$6,400 based on leases. Revenue generated from leases for rental of the Hangars at the Prince Albert Airport.

\$67,500 Leases – Rentals – Terminal - Budget is based on current leases in place. Relates to lease of check-in counter, cargo rooms and office space within the airport terminal building to facilitate airline operations. The leases that the City have are with Rise Air (Transwest Air) and West Wind Aviation Limited Partnership in the Terminal.

\$14,560 Land Rentals – Agriculture - Based on current leases in place. Relates to lease of land within the airfield for agricultural use not currently needed for airport operations. Such use is also beneficial to manage wildlife which also reduces airport maintenance costs.

\$15,000 Snowbird Fuel - Truck Diesel Sales - Diesel fuel sold to Snowbird Aviation for their Mobile Fuel Trucks, Deicer Trucks and Tugs that service aircraft. These vehicles are not street legal to purchase fuel elsewhere. Fuel is sold at retail cost within the City. Estimated based on 12,000 litres of annual sales base on historical records. Budget is based on expectations for 2023.

\$200,000 Parking Revenue – Increased revenue for 2023 in the amount of \$29,000. The mining industry is recovering and corporations rented 100 more parking spaces in 2022. There is a potential for 150 more stalls being rented in 2023 returning back to the number stalls rented by the mining corporations in 2017. Rates have increased from \$664.35 per stall to \$677.63 per stall for 2023.

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\$25,000 Airport Park & Display Revenue – Revenue generated from 80 parking stalls adjacent to the airport terminal that are used for public parking. These stalls are managed using a pay station system. Passenger levels are returning and budget is based on expectations for 2023.

\$380,000 Passenger Facility Fee Revenue – Increased revenue of \$155,000 for more tickets sold. Revenue generated from the Passenger Facility Fee. This fee applies to all departing enplaned passengers originating in Prince Albert. The revenue collected from the Passenger Facility Fee is credited to the Passenger Facility Fee Reserve. Rates have been set at \$20 per departing passenger originating from YPA (PAX).

Departing Enplaned Passengers

2017 - 22,126

2018 - 17,330

2019 - 17,615

2020 - 10,187

2021 - 12,010

The average annual PAX over the past 3 pre-pandemic years is 19,000. 2022 is trending at a 30% increase from 2021. Administration is projecting a continued increase for 2023 resulting in a budgeted 19,000 PAX in 2023.

\$10,000 Airport Sundry Revenue – This is revenue for callout fees. It is a regulatory requirement for qualified airport staff to be in attendance at the airport for scheduled passenger flights. When flights are late the Airlines must call for coverage to be able to land or takeoff. This coverage and work is tracked and charged back to the airline as a callout fee. Although it is not a regulatory requirement to be in attendance for other flights such as private aircraft, medevacs or charters, these flights sometimes need winter maintenance and / or runway condition reports performed after the Airport's published hours of operation to land safely. This coverage and work is tracked and charged back to the aircraft owner as a callout fee.

(\$400) Airport Sundry – reduction in revenue from ATM machine.

INTEREST AND PENALTIES

The revenue for 2023 is the same as Year 2022 with a revenue of **\$1,500** for interest and penalties. This revenue relates to finance charges on outstanding amounts owing related primarily to parking fees that are paid late by customers.

SUNDRY REVENUE

\$7,650 Total Sundry Revenue as follows:

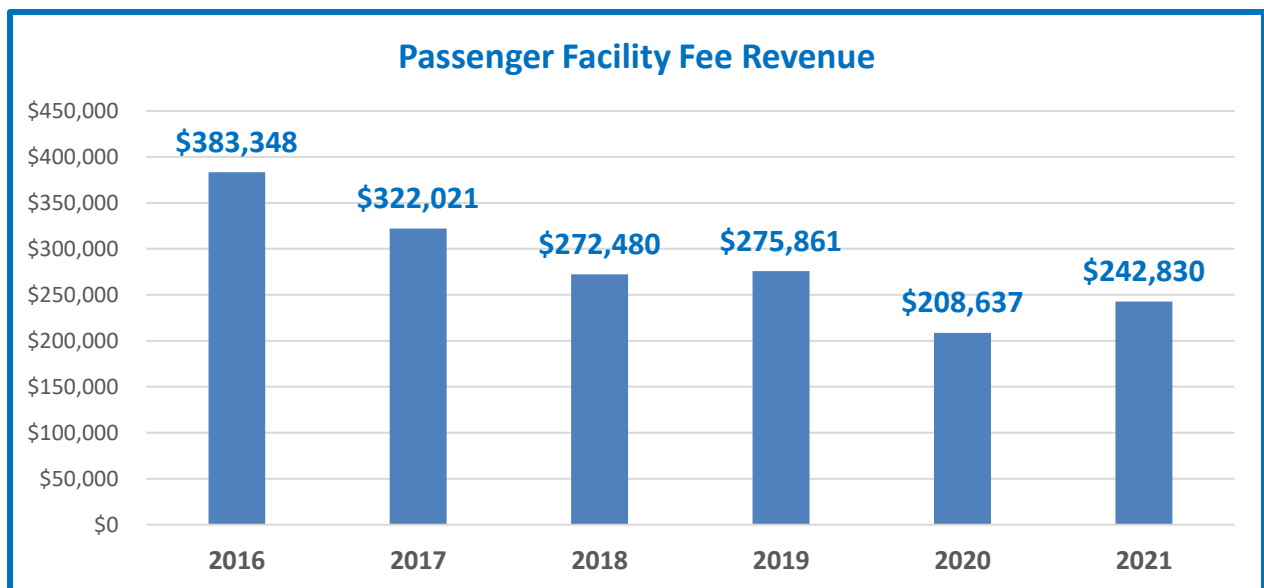
- \$6,000 Concession Vending Machine. These are food and beverage vending machines in the terminal for passenger use. The Airport receives a royalty payment based on total sales. This contract is managed by Community Services along with all other vending machine contracts for public facilities.
- \$1,650 increase in advertising revenue related to advertising space in the Airport terminal.

PASSENGER FACILITY FEE RESERVE

City Council, at its meeting of Tuesday, September 8, 2009 approved: *That Administration implement a Passenger Facility Fee for the Prince Albert Municipal Airport effective January 1, 2010.*

The Passenger Facility Fee will assist the City of Prince Albert to fund capital projects such as building improvements, replacement and upgrading of major equipment and systems and runway reconstruction work like runway resurfacing and replacement of runway drainage systems. The fee will also assist with any operational costs required to keep the airport safe and secure, comfortable, competitive and up-to-date.

The budgeted revenue to be collected for 2023 is **\$380,000**. The Passenger Facility Fee revenue collected is credited to the Passenger Facility Fee Reserve.



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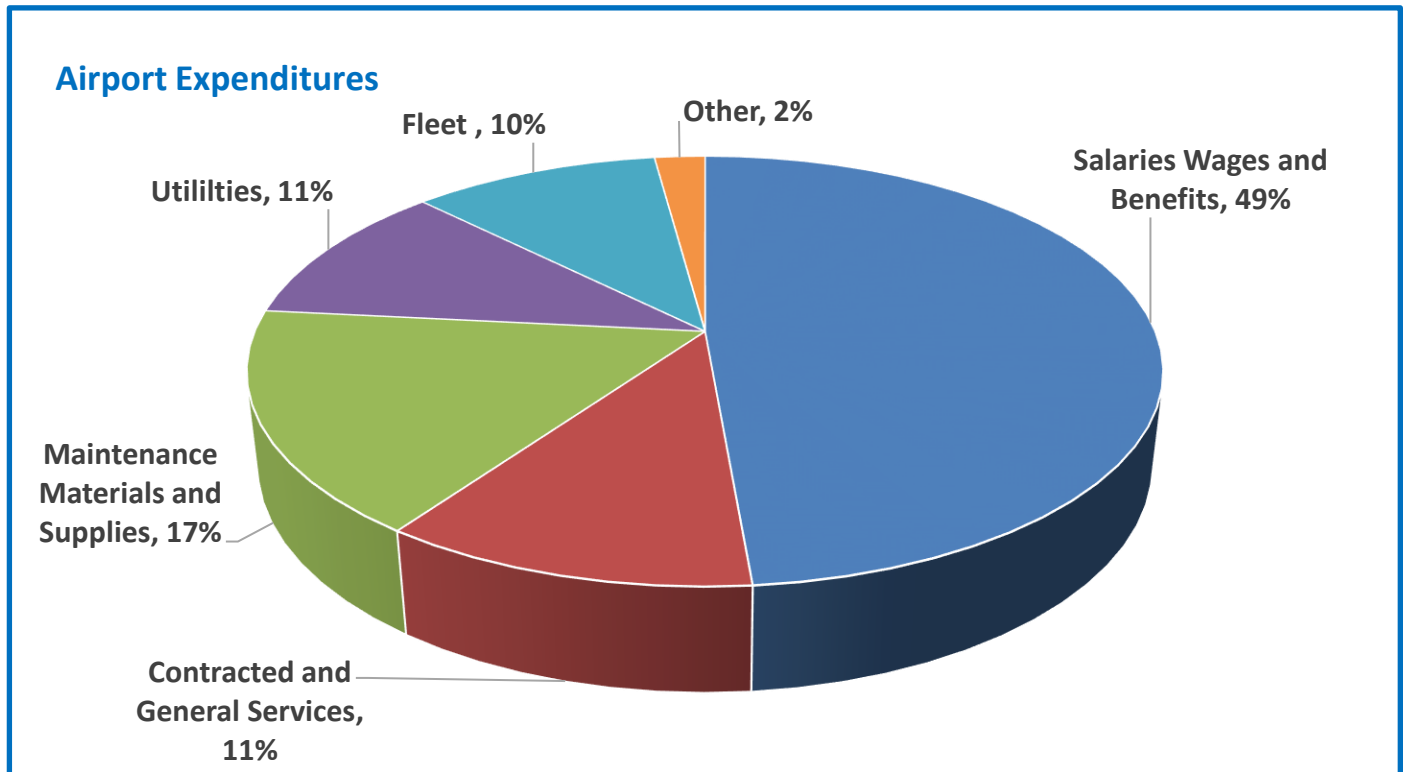
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2023 AIRPORT FUND EXPENDITURES

The increase in expenditures from Year 2022 is \$144,870, which represents a 12.87% increase over Year 2022:

| Expenditures | 2022 Budget | 2023 Budget | Increase (Decrease) | % Change | % of Total Expenses |
|------------------------------------|--------------------|--------------------|---------------------|---------------|---------------------|
| Salaries Wages and Benefits | \$600,780 | \$617,820 | \$17,040 | 2.84% | 48.63% |
| Contracted and General Services | \$99,300 | \$142,500 | \$43,200 | 43.50% | 11.22% |
| Financial Charges | \$750 | \$750 | \$0 | 0.00% | 0.06% |
| Utilities | \$118,930 | \$137,710 | \$18,780 | 15.79% | 10.84% |
| Fleet Expenses | \$124,900 | \$132,390 | \$7,490 | 6.00% | 10.42% |
| Maintenance Materials and Supplies | \$157,250 | \$213,030 | \$55,780 | 35.47% | 16.77% |
| Insurance | \$21,020 | \$23,600 | \$2,580 | 12.27% | 1.86% |
| Bad Debt Expense | \$2,700 | \$2,700 | \$0 | 0.00% | 0.21% |
| Total Expenditures | \$1,125,630 | \$1,270,500 | \$144,870 | 12.87% | 100.00% |

Airport Expenditures are as follows for Year 2023:



SALARY WAGES AND BENEFITS

\$17,040 increase in Salaries Wages Benefits as follows:

- \$6,830 increase as per current contract rates of the Collective Bargaining Agreement and step increases.
- \$2,210 increase for payroll benefits.
- \$8,000 increase for overtime. It is a regulatory requirement for the Airline for qualified airport staff to be in attendance at the airport for scheduled passenger flights. When flights are late, the Airlines must call for coverage to be able to land or takeoff. This overtime is tracked and charged back to the airline as a callout fee. Although it is not a regulatory requirement to be in attendance for other flights such as private aircraft, medevacs or charters, these flights sometimes need winter maintenance and or runway condition reports performed after the Airport's published hours of operation to land safely.

STAFF ALLOCATIONS TO AIRPORT FUND

Administration: The budget for Administration includes the salary for the permanent position of the Airport Manager (100%). As well, the budget includes an allocation of 10% of the salary cost for the Director of Public Works and 10% of the salary cost for the Manager of Capital Projects. The budget also includes an allocation of 15% of the salary cost of the Engineering Services Manager position.

CONTRACTED AND GENERAL SERVICES

Contracted and General Services have **increased** in the amount of **\$43,200**, representing a 43.50% increase over Year 2022 as follows:

- \$43,200 increase for Airport maintenance:

Repainting the airfield line markings is scheduled for every second year. These navigation visual aid markings are a regulatory requirement to be maintained at a high standard of visibility. These markings are worn off by traffic and winter maintenance activities like the high speed metal brush runway sweeper.

Rubber Removal: Landing Aircraft leave significant rubber deposits that need to be removed before line painting and to ensure that runway friction is not compromised.

\$142,500 Total Contracted and General Services as follows:

- \$5,000 for Aviation Consultant(s) to assist in regulatory and related procedure development reviews, design information to support external funding applications like ACAP and CAP, etc.
- \$15,000 for commissionaire security services. Security is a requirement of our Federal permit for securely stored items.

Security Patrols:

- Weekdays after hours of operation: 2 patrols between 8 pm and 5 am.
 - Weekends and statutory holidays: 3 patrols over the entire day.
 - Call backs for alarms or incidents.
- \$60,000 for Airport Maintenance to include airfield line markings and rubber removal. Decelerometers are the instruments used to determine the slipperiness on the runway. Transport Canada regulations require proof of calibration. Annual calibration is the industry standard. **The Airport Maintenance Reserve will be funding the amount of (\$60,000) for these projects for 2023.**
 - \$44,200 for other Airport Maintenance. The airfield electrical systems for navigational aids is highly regulated and requires an airfield electrical specialist to maintain. The perimeter fence is in place to restrict access and control wildlife. Several gates along the fence are in need of replacement to ensure fence integrity.
 - \$10,000 for Quality Assurance Audit - Corrective Action Plans (CAP).
 - \$2,800 for Terminal Building contractor with specialized skills not available in the city staff; Overhead doors, Security systems, HVAC, Luggage carousel etc.
 - \$1,000 for General Aviation Pilots Terminal Septic Tank Pump-outs.
 - \$4,500 for Building Maintenance contractor with specialized skills not available from City staff: Overhead doors, ventilation systems, HVAC & hoist.

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MAINTENANCE MATERIALS AND SUPPLIES

Maintenance Materials and Supplies have **increased** by **\$55,780** from Year 2022.

The major drivers for the increase in Maintenance Materials and Supplies are as follows:

- \$30,000 for Audit Services. By requirement of the Canadian Aviation Regulations, the airport operator must conduct a Safety Management System (SMS) - Quality Assurance Audit every three years to maintain airport certification. Due to the City's Airport size it is recommended that a third party experienced Airport SMS auditor be contracted to audit our SMS. This would be a one-time expenditure for 2023. All the airport manuals will be revised in 2023. The audit reviews these manuals and the airfield infrastructure to ensure they are both compliant with the City's certification obligations as an operator.
- \$21,000 increase for Terminal Building Maintenance. \$28,000 increase for Fire Alarm System Replacement. The Terminal Building was built in 1983 and therefore a replacement of the fire alarm systems in the Terminal and Field Electrical Centre is required as it doesn't meet present day codes. The 2022 third party fire alarm systems inspection identified several issues with the fire alarm systems in both buildings and recommended replacement. That cost is offset by a reduction of (\$7,000) from a one-time purchase in 2022.
- \$15,000 for granular materials. Budget is required to fix the groundside gravel roadways at the airport.
- (\$10,000) reduction for 2022 purchase of sweeper core not required in 2023.

INTERFUND TRANSFERS

In 2006 City Council authorized a transfer of 30% of the total cost of the Airport operation to be funded from the City's General Fund to fund the operations of the Airport. As per approved 2022 Total Expenditures, the Transfer from General Fund for 2023 is the amount of \$337,690, an increase of \$29,250 from the General Fund.

| | | |
|--|-------------|------------------|
| General Fund - Funding to Airport | | 30% |
| 2022 Approved Total Expenditures | \$1,125,630 | \$337,689 |

| Interfund Transfers | 2022 Budget | 2023 Budget | (Increase) Decrease | % Change |
|--|--------------------|--------------------|---------------------|----------|
| Transfer from General Fund | (\$308,440) | (\$337,690) | (\$29,250) | 9.48% |
| Transfer from Utility Fund - City Facilities | (\$5,830) | (\$3,880) | \$1,950 | -33.45% |
| Total Interfund Transfers | (\$314,270) | (\$341,570) | (\$27,300) | 8.69% |

2023 AIRPORT IMPROVEMENT FUND

A summary of the 2023 Airport Fund’s budget impact on the Airport Improvement Fund balance is as follows:

- The budgeted deficit from operations to be funded by the Airport Improvement Fund in 2023 is \$163,320.
- A transfer of \$9,000 to the Capital Committed Reserve is required for 2023 capital expenditures.
- This results in an estimated net **decrease** to the Airport Improvement Fund in 2023 of \$172,320 and an estimated **closing surplus balance of (\$6,990)**.

2023 AIRPORT FUND CAPITAL

Automated Opener Gate #2 for Ambulance: \$18,000

Automated opener/closer for the gate #2 at the Airport that allows ambulance access for medevac transfers. The ground ambulance has special restricted access to the Airport’s aircraft maneuvering surface for the transfer of patients on air medevac aircraft. Ambulance staff are not trained to drive airside but are provided special permission to go the shortest route to the area that the medevac aircraft park. The medevac aircraft parking area has been relocated to address operational concerns for limiting distances (keeping aircraft a safe distance apart) while taxiing for parking on the apron. The most direct and safest route for the ground ambulance to access the medevac aircraft is via gate #2.

Gate #2 requires manual operation and would need to be closed manually. The gates must be kept closed at all times to ensure wildlife and unauthorized personnel do not access the airfield. Automated gate operations would alleviate human error and ensure the airfield remains secure at all times. There are an average of 2 medevac transfers every day. Project is contingent upon Community Airport Partnership (50% cost share) funding.

Funding:

| | |
|--|---------|
| Airport Improvement Fund | \$9,000 |
| Community Airport Partnership Fund (CAP) | \$9,000 |

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CAPITAL COMMITTED

| CAPITAL COMMITTED RESERVE | 2023 Budget | 2022 Budget |
|--|--------------------|-------------|
| Budgeted Transactions | | |
| Funding: | | |
| Funding for Capital - via transfer from Airport Improvement Fund Balance (Uncommitted) | (\$9,000) | (\$24,000) |
| Passenger Facility Fee Reserve | - | (\$681,000) |
| Airport Capital Assistance Program (ACAP) | - | - |
| Community Airport Partnership (CAP) | (9,000) | (24,000) |
| Other External Funding Sources | - | (4,450,000) |
| Total Funding | (18,000) | (5,179,000) |
| Expenditures: | | |
| Automated Opener Gate #2 for Ambulance | 18,000 | 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 |
| Total Expenditures | 18,000 | 5,179,000 |

Airport Improvement Fund

\$9,000

Community Airport Partnership Fund (CAP)

\$9,000

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AIRPORT IMPROVEMENT FUND BALANCE

| AIRPORT IMPROVEMENT FUND BALANCE (UNCOMMITTED EQUITY) | 2023 Budget | 2022 Budget |
|--|--------------------|----------------|
| Budgeted Transactions | | |
| Funding: | | |
| Total (Surplus) Deficit | (\$166,680) | (\$84,250) |
| Transfer: Airport Improvement Reserve | (50,000) | 10,000 |
| Transfer: Passenger Facility Fee Reserve | 380,000 | 225,000 |
| Total Funding | 163,320 | 150,750 |
| Expenditures: | | |
| Transfer to Capital Committed Reserve | 9,000 | 24,000 |
| Budgeted (Increase) Decrease | 172,320 | 174,750 |
| Fund Surplus, beginning of year (estimated) | (179,310) | (354,060) |
| Fund (Surplus) Deficit, end of year (estimated) | (6,990) | (179,310) |

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PASSENGER FACILITY FEE RESERVE

| PASSENGER FACILITY FEE RESERVE | 2023 Budget | 2022 Budget |
|---|------------------------|------------------------|
| Budgeted Transactions | | |
| Funding: | | |
| Passenger Facility Fee Levies | (\$380,000) | (\$225,000) |
| Expenditures: | | |
| New Terminal - Detailed Design | - | 600,000 |
| Runway 08 Threshold Concrete Repairs | - | 16,000 |
| Terminal Sidewalk Expansion | - | 65,000 |
| Budgeted (Increase) Decrease to Reserve | (380,000) | 456,000 |
| Reserve Balance, beginning of year (estimated) | (2,160,316) | (2,629,216) |
| Capital Carryforward - Outstanding from Prior Years | - | 12,900 |
| Reserve Balance, end of year (estimated) | (2,540,316) | (2,160,316) |

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AIRPORT MAINTENANCE RESERVE

| AIRPORT MAINTENANCE RESERVE | 2023 Budget | 2022 Budget |
|--|------------------------|------------------------|
| Budgeted Transactions | | |
| Funding: | | |
| Funding for Reserve - via transfer from Airport Improvement Fund Balance (Uncommitted) - Note 1 | (\$10,000) | (\$10,000) |
| Expenditures: | | |
| Airfield Line Markings Repainting & Airport Maintenance | 60,000 | - |
| Budgeted (Increase) Decrease to Reserve | 50,000 | (10,000) |
| Reserve Balance, beginning of year (estimated) | (70,000) | (60,000) |
| Reserve Balance, end of year (estimated) | (20,000) | (70,000) |
| Notes: | | |
| 1) In the 2016 Budget, Council approved \$10,000 per year to be transferred to reserve for future cracksealing costs at the Airport. | | |



City of
**Prince
Albert**