

THE CITY OF PRINCE ALBERT



AIRPORT FUND BUDGET FOR YEAR ENDING DECEMBER 31, 2018

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December 31, 2018 Consolidated Budget Document

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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 2018 there are budgetary adjustments to the revenues and expenditures of this particular Fund which include the items highlighted below.

Budgeted Revenue – Decrease of \$105,380

The most significant budgetary adjustments to revenue are discussed below:

- A decrease of \$80,000 in Aircraft Landing Fees related to a reduction in charter flights from Cameco as the mining industry has changed its turnaround schedule from one week to every two weeks. In addition, the previous years' merger of Westwind and Transwest has led to a decrease as they have been able to find efficiencies in flight schedules.
- Passenger Facility Fee Revenue is budgeted to decrease by \$49,000 for 2018 primarily as a result of the decrease in aircraft landings discussed above. This is offset to some degree by an increase in the Passenger Facility Fee from \$15.00 to \$17.50 per passenger effective July 15, 2018.
- Airport Lease revenue is budgeted to increase by \$31,020 based on the annual increases in place for current leases.

Budgeted Expenses – Decrease of \$25,270

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

- A decrease of \$33,670 to Salaries Wages and Benefits related to airfield snow maintenance and grass cutting costs based on a review of actual costs incurred.
- A decrease of \$17,800 to Contracted and General Services primarily due to the removal of one-time funding for projects budgeted in the prior year.
- An overall increase to Maintenance Materials and Supplies of \$34,680 is primarily due to an estimated \$60,000 budget required to address deficiencies that arose from the 2017 Quality Assurance Audit. This is offset by the removal of one-time funding for projects budgeted in the prior year.

2018 Capital Budget

Administration is requesting \$721,200 in capital spending at the Airport for 2018. A brief description of the projects and their funding source is provided below.

AIRPORT FUND BUDGET OVERVIEW

For the Year Ending December 31, 2018

The Passenger Facility Fee will be utilized to provide \$82,000 in funding for the following projects which have been reviewed with the Airline Users:

- A budget for Safety / Customer Service Requirements - \$50,000
- Terminal Septic System Modifications - \$32,000

A total of \$602,200 of capital projects are budgeted for 2018 to be funded from the Airport Capital Assistance Program (ACAP) subject to approvals being received.

- Airfield Electrical Upgrades - \$312,200
- New Airport Grader - \$290,000

A total of \$37,000 is to be funded from the Airport Reserve / Airport Improvement Fund Balance. These items include the following:

- A preliminary design for Apron II Rehabilitation & Expansion for \$25,000.
- \$12,000 related to the Airfield Electrical Upgrades, mentioned above, that would not be eligible for ACAP Funding.

Airport Improvement Fund Balance

A summary of the 2018 Budget's impact on the Airport Improvement Fund Balance is as follows:

- The budgeted surplus from operations to be transferred to the Airport Improvement Fund in 2018 is \$75,050.
- A transfer of \$37,000 to the Capital Committed Reserve is required for 2018 Capital Expenditures.
- This results in an estimated net increase to the Airport Improvement Fund in 2018 of \$38,050 and an estimated closing surplus of \$852,921.

**AIRPORT FUND
OPERATING BUDGET**

For the Year Ending December 31, 2018

	2018	2017	(Favourable) Unfavourable Change
	Budget	Budget	
REVENUES			
Aircraft Landing Fees	(\$182,000)	(\$262,000)	\$80,000
Aircraft Parking Fees	(5,600)	(7,500)	1,900
Passenger Facility Fees	(311,000)	(360,000)	49,000
Parking Revenue	(318,550)	(318,550)	-
Airport Lease Revenue	(247,960)	(216,940)	(31,020)
Interest and Penalties	(1,500)	(4,500)	3,000
Sundry	(7,000)	(9,500)	2,500
Total Revenues	(1,073,610)	(1,178,990)	105,380
EXPENSES			
Salaries Wages and Benefits	383,640	417,310	(33,670)
Contracted and General Services	107,600	125,400	(17,800)
Financial Charges	750	650	100
Utilities	106,590	106,590	-
Fleet Expenses	156,530	164,890	(8,360)
Maintenance Materials and Supplies	207,040	172,360	34,680
Insurance	20,340	20,560	(220)
Bad Debt Expense	2,700	2,700	-
Total Expenses	985,190	1,010,460	(25,270)
Operating (Surplus) Deficit	(88,420)	(168,530)	80,110
CAPITAL AND INTERFUND TRANSACTIONS			
Transfer from General Fund	(303,140)	(282,000)	(21,140)
Transfer from Utility Fund	(4,490)	(4,490)	-
Capital and Interfund Transactions	(307,630)	(286,490)	(21,140)
TOTAL (SURPLUS) DEFICIT	(396,050)	(455,020)	58,970

To be Allocated to Airport Reserves as Follows:

Passenger Facility Fees Reserve	\$311,000	\$360,000
Airport Maintenance Reserve	10,000	10,000
Airport Improvement Fund Balance	75,050	85,020
	396,050	455,020

AIRPORT FUND
CAPITAL EXPENDITURES AND RESERVE PROJECTIONS

For the Year Ending December 31, 2018

CAPITAL COMMITTED RESERVE	2018	2017
	Budget	Budget
Budgeted Transactions		
Funding:		
Funding for Capital - via transfer from Airport Improvement Fund Balance (Uncommitted)	(\$37,000)	(25,000)
Airport Capital Assistance Program (ACAP)	(602,200)	(1,595,000)
Equipment Fleet Reserve	-	-
Total Funding	(639,200)	(1,620,000)
Expenditures:		
Runway Lighting/Informational Signage (ACAP)	-	775,000
Snow Blower (ACAP)	-	540,000
Deicing Storage Shed (ACAP)	-	280,000
Subdivision Survey	-	25,000
Airfield Electrical Upgrades (ACAP)	312,200	
Airfield Electrical Upgrades	12,000	
Airport Grader (ACAP)	290,000	
Apron II Rehabilitation & Expansion - Preliminary Design	25,000	
Total Expenditures	639,200	1,620,000
Budgeted (Increase) Decrease to Reserve	-	-
Reserve Balance, beginning of year (estimated)	-	(80,300)
Capital Carryforward - Outstanding from Prior Years	-	80,300
Reserve Balance, end of year (estimated)	-	-

AIRPORT FUND
CAPITAL EXPENDITURES AND RESERVE PROJECTIONS (Continued)

For the Year Ending December 31, 2018

	2018	2017
PASSENGER FACILITY FEE RESERVE	Budget	Budget
Budgeted Transactions		
Funding:		
Passenger Facility Fee Levies	(\$311,000)	(\$360,000)
Expenditures:		
Parking Lot Upgrades	-	30,000
Terminal Renovations & Security Upgrade	-	25,000
Safety / Customer Service Requirements	50,000	-
Terminal Septic System Modifications	32,000	-
	(229,000)	(305,000)
Budgeted (Increase) Decrease to Reserve		
Reserve Balance, beginning of year (estimated)	(1,959,768)	(1,754,768)
Capital Carryforward - Outstanding from Prior Years	-	100,000
	(2,188,768)	(1,959,768)

	2018	2017
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:		
Budgeted Expenditures	-	-
	-	-
Budgeted (Increase) Decrease to Reserve	(10,000)	(10,000)
Reserve Balance, beginning of year (estimated)	(20,000)	(10,000)
	(30,000)	(20,000)
Reserve Balance, end of year (estimated)		

Notes:

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

AIRPORT FUND
CAPITAL EXPENDITURES AND RESERVE PROJECTIONS (Continued)

For the Year Ending December 31, 2018

AIRPORT IMPROVEMENT FUND BALANCE (UNCOMMITTED EQUITY)	2018 Budget	2017 Budget
Budgeted Transactions		
Funding:		
Contribution from Operations	<u>(\$75,050)</u>	(\$85,020)
Expenditures:		
Transfer to Capital Committed Reserve	<u>37,000</u>	25,000
Budgeted (Increase) Decrease	(38,050)	(60,020)
Fund Surplus, beginning of year (estimated)	<u>(814,871)</u>	(754,851)
Fund Surplus, end of year (estimated)	<u><u>(852,921)</u></u>	<u>(814,871)</u>