

THE CITY OF PRINCE ALBERT



AIRPORT FUND BUDGET FOR YEAR ENDING DECEMBER 31, 2017

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December 31, 2017 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 2017 there are budgetary adjustments to the revenues and expenditures of this particular Fund which include the items highlighted below.

Budgeted Revenue – Decrease of \$131,000

The most significant budgetary adjustments to revenue are discussed below:

- A decrease of \$48,000 in Airport Landing Fees related to the merger of Westwind and Transwest as well as a decrease in landings as a result of the closure of Cameco's Rabbit Lake Mine.
- Passenger Facility Revenue is budgeted to decrease by \$70,000 for 2017 primarily as a result of the closure of the Rabbit Lake Mine.
- Parking Revenue is also budgeted to decrease by \$31,450 primarily as a result of the closure of the Rabbit Lake Mine.
- Airport Lease revenue is budgeted to increase by \$19,450 based on the annual increases in place for current leases.

Budgeted Expenses – Increase of \$70,470

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

- An increase of \$39,070 to salaries wages and benefits related annual base adjustments, a provision for upcoming union negotiations and a request for the addition of a full-time bid casual Airport maintenance worker for winter months required for maintenance coverage and succession planning.
- An overall increase to Maintenance Materials and Supplies of \$28,060. The increase is primarily due to \$50,000 requested for drainage enhancement work and \$18,880 required for a Quality Assurance audit. These increases are offset by the removal of \$46,300 in one-time expenditures budgeted for 2016.

Administration is requesting \$1,675,000 in capital spending at the Airport. The Passenger Facility Fee will be utilized to provide funding for the following projects which have been reviewed with the Airline Users:

1. Parking lot upgrades - \$30,000
2. Terminal renovations and security upgrade - \$25,000

A total of \$1,595,000 of capital projects are budgeted for 2017 to funded from the Airport Capital Assistance Program subject to approvals being received. Applications have been submitted for new Runway Lighting and Informational Signage (\$775,000), a new Runway Snowblower (\$540,000), and a Deicing storage shed (\$280,000). The remaining capital project is for a legal subdivision survey of blocks 101 and 102 in the amount of \$25,000 to be funded from the Airport Reserve.

**AIRPORT FUND
OPERATING BUDGET**

For the Year Ending December 31, 2017

	2017	2016	(Favourable) Unfavourable Change
	Budget	Budget	
REVENUES			
Aircraft Landing Fees	(\$262,000)	(\$310,000)	\$48,000
Aircraft Parking Fees	(7,500)	(7,500)	-
Passenger Facility Fees	(360,000)	(430,000)	70,000
Parking Revenue	(318,550)	(350,000)	31,450
Airport Lease Revenue	(216,940)	(197,490)	(19,450)
Interest and Penalties	(4,500)	(4,500)	-
Sundry	(9,500)	(10,500)	1,000
Total Revenues	(1,178,990)	(1,309,990)	131,000
EXPENSES			
Salaries Wages and Benefits	417,310	378,240	39,070
Contracted and General Services	125,400	123,370	2,030
Financial Charges	650	40	610
Utilities	106,590	110,570	(3,980)
Fleet Expenses	164,890	155,550	9,340
Maintenance Materials and Supplies	172,360	144,300	28,060
Insurance	20,560	25,220	(4,660)
Bad Debt Expense	2,700	2,700	-
Total Expenses	1,010,460	939,990	70,470
Operating (Surplus) Deficit	(168,530)	(370,000)	201,470
CAPITAL AND INTERFUND TRANSACTIONS			
Transfer from General Fund	(282,000)	(268,100)	(13,900)
Transfer from Utility Fund	(4,490)	(4,490)	-
Capital and Interfund Transactions	(286,490)	(272,590)	(13,900)
TOTAL (SURPLUS) DEFICIT	(455,020)	(642,590)	187,570
To be Allocated to Airport Reserves as Follows:			
Passenger Facility Fees Reserve	\$360,000	\$430,000	
Airport Maintenance Reserve	10,000	-	
Airport Improvement Fund Balance	85,020	212,590	
	455,020	642,590	

AIRPORT FUND
CAPITAL EXPENDITURES AND RESERVE PROJECTIONS

For the Year Ending December 31, 2017

CAPITAL COMMITTED RESERVE	2017	2016
	<u>Budget</u>	<u>Budget</u>
Budgeted Transactions		
Funding:		
Funding for Capital - via transfer from Airport Improvement Fund Balance (Uncommitted)	(\$25,000)	\$ -
Airport Capital Assistance Program (ACAP)	(1,595,000)	-
Equipment Fleet Reserve	-	-
Total Funding	<u>(1,620,000)</u>	-
Expenditures:		
Runway Lighting/Informational Signage (ACAP)	775,000	-
Snow Blower (ACAP)	540,000	-
Deicing Storage Shed (ACAP)	280,000	-
Subdivision Survey	25,000	-
Total Expenditures	<u>1,620,000</u>	-
Budgeted (Increase) Decrease to Reserve	-	-
Reserve Balance, beginning of year (estimated)	-	(80,300)
Capital Carryforward - Outstanding from Prior Years	-	<u>80,300</u>
Reserve Balance, end of year (estimated)	<u>-</u>	<u>-</u>

AIRPORT FUND
CAPITAL EXPENDITURES AND RESERVE PROJECTIONS

For the Year Ending December 31, 2017

	2017	2016
PASSENGER FACILITY FEES RESERVE	Budget	Budget
Budgeted Transactions		
Funding:		
Passenger Facility Fee Levies	(\$360,000)	(\$430,000)
Expenditures:		
Design for Runway Lighting/Informational Signage	-	50,000
Glycol Recovery	-	100,000
Parking Lot Upgrades	30,000	-
Terminal Renovations & Security Upgrade	25,000	-
	(305,000)	(280,000)
Budgeted (Increase) Decrease to Reserve		
Reserve Balance, beginning of year (estimated)	(1,514,033)	(1,419,471)
Capital Carryforward - Outstanding from Prior Years	-	185,438
	(1,819,033)	(1,514,033)
Reserve Balance, end of year (estimated)		

	2017	2016
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	-	-
	(10,000)	(10,000)
Budgeted (Increase) Decrease to Reserve		
Reserve Balance, beginning of year (estimated)	(10,000)	-
	(20,000)	(10,000)
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. This amount of the transfer budgeted in operating expenses in 2016 and was transferred to a new Airport Maintenance Reserve established in 2016.

AIRPORT FUND
CAPITAL EXPENDITURES AND RESERVE PROJECTIONS

For the Year Ending December 31, 2017

AIRPORT IMPROVEMENT FUND BALANCE (UNCOMMITTED EQUITY)	2017 Budget	2016 Budget
Budgeted Transactions		
Funding:		
Contribution from Operations	<u>(\$85,020)</u>	<u>(\$212,590)</u>
Expenditures:		
Transfer to Capital Committed Reserve	<u>25,000</u>	<u>-</u>
Budgeted (Increase) Decrease	(60,020)	(212,590)
Fund Surplus, beginning of year (estimated)	<u>(668,648)</u>	<u>(456,058)</u>
Fund Surplus, end of year (estimated)	<u>(728,668)</u>	<u>(668,648)</u>