

# FISCAL YEAR 2023 BUDGET

Board of Commissioners  
Review

May 17, 2022

Revised June 17, 2022

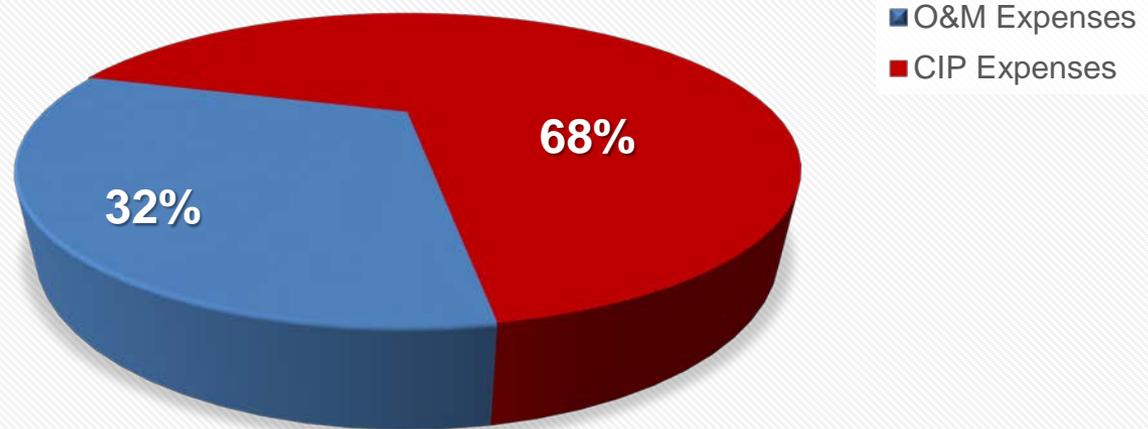


ABRAHAM LINCOLN<sup>®</sup>  
CAPITAL AIRPORT  
A T S P R I N G F I E L D

# OPERATIONS & MAINTENANCE / CAPITAL IMPROVEMENT

## SUMMARY

○ Forecasted 6/30/22 Balance Available	\$ 358,475
○ Forecasted Revenues	\$24,164,941
○ Forecasted O & M Expenses	(\$ 7,871,663)
○ Forecasted CIP Expenses	(\$16,647,564)
<b>Forecasted 6/30/23 Balance Available/Short</b>	<b>\$ 4,189</b>



\* Any unobligated funds at 6/30/22 will be transferred to Capital Improvement

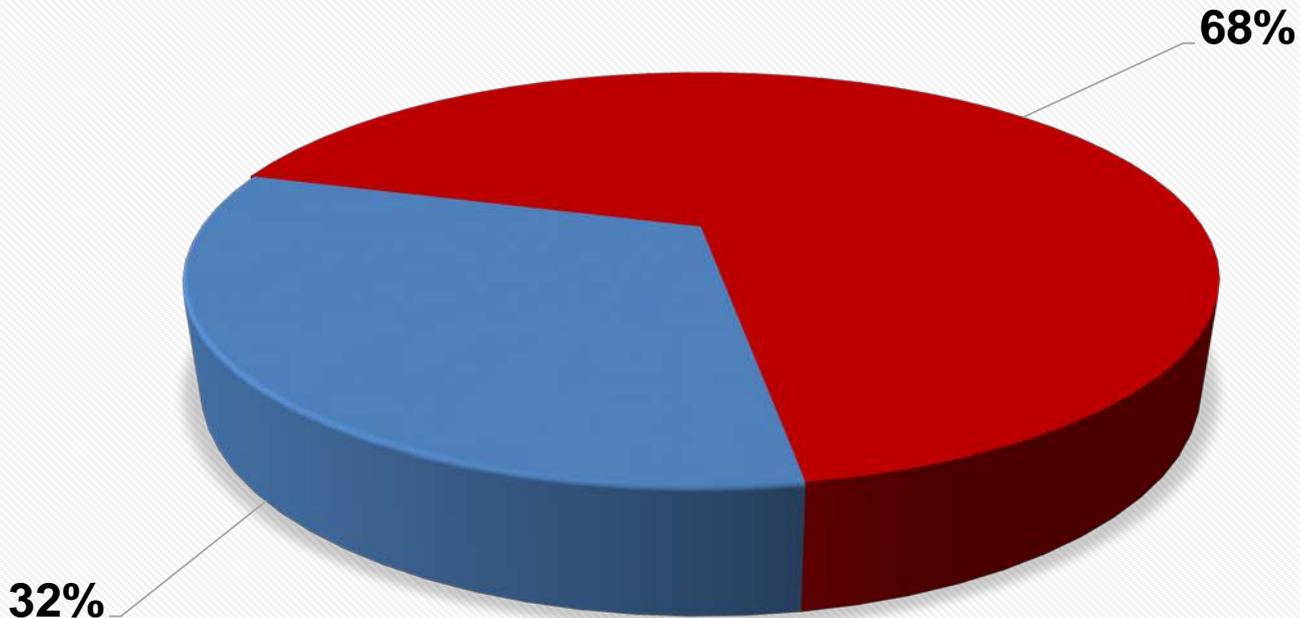
# OPERATIONS & MAINTENANCE / CAPITAL IMPROVEMENT SUMMARY

## Springfield Airport Authority Summary Page

	RECOMMENDED BUDGET FY23	% Change of Recommended Budget FY23 over Adopted Budget FY22	ADOPTED BUDGET FY22
<b><u>OPERATIONS &amp; MAINTENANCE (O&amp;M) BUDGET</u></b>			
A. Beginning Balance	(A) _____ 0		(A) _____ 0
B. Property Tax Revenue (O&M portion)	(B) _____ 2,286,813	3.1%	(B) _____ 2,218,939
C. Revenue (All except A)	(C) _____ 5,584,850	22.9%	(C) _____ 4,543,229
D. Expenses - Operating	(D) _____ (7,871,663)	16.4%	(D) _____ (6,762,168)
E. O&M Income Remaining/(Shortfall): (A+B+C+D)	(E) _____ 0		(E) _____ 0
<b><u>CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET</u></b>			
F. Beginning Balance	(F) _____ 47,000		(F) _____ 97,466
G. Transfer from O&M	(G) _____ 311,475		(G) _____ 597,000
H. Property Tax Revenue (CIP portion)	(H) _____ 286,714	-3.5%	(H) _____ 297,102
I. Revenue	(I) _____ 16,006,564	51.6%	(I) _____ 10,557,265
J. Expenses	(J) _____ (16,647,564)	44.7%	(J) _____ (11,501,766)
K. CIP Funds Remaining/(Shortfall): (G+F+H+I+J)	(K) _____ 4,189	-91.1%	(K) _____ 47,067
<b><u>TOTAL O&amp;M AND CIP BUDGETS</u></b>			
L. Remaining/(Shortfall)-Net for the year: (E+K)	(L) _____ 4,189	-91.1%	(L) _____ 47,067
M. CRSSA/ARP	(M) _____ 0	-100.0%	(M) _____ 818,141
N. ARP	(N) _____ 0	-100.0%	(N) _____ 1,415,889
O. Net Total All Funds	(O) _____ 4,189	-99.8%	(O) _____ 2,281,097

# THE PROPOSED BUDGET

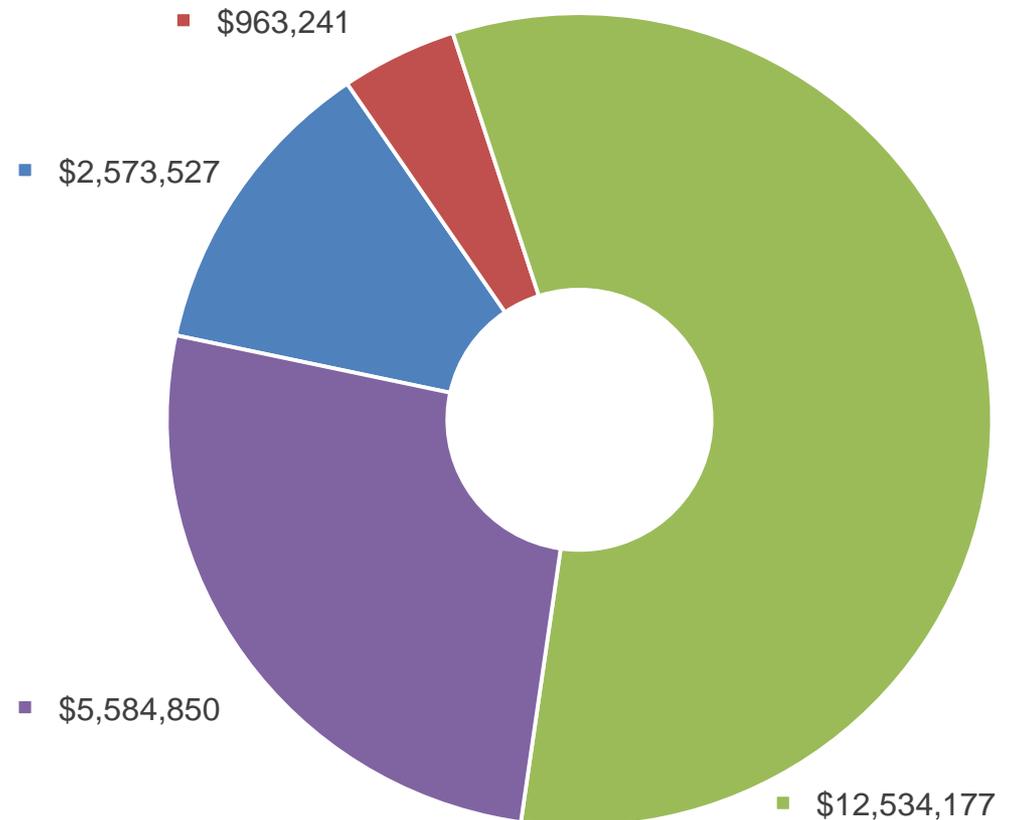
- Operations & Maintenance (O&M)
- Capital Improvement (CIP)



**\$24,519,227**

# OPERATIONS & MAINTENANCE / CAPITAL IMPROVEMENT SOURCES OF FUNDING (REVENUES)

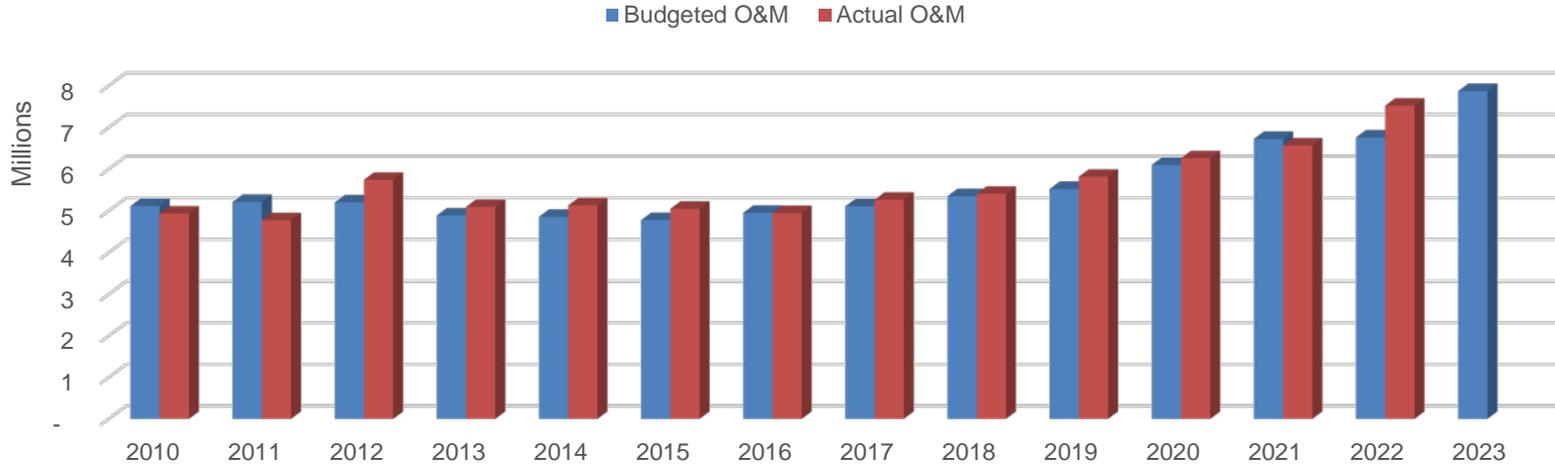
- Federal/State Grants
- Tenant Rents & Fees
- Property Taxes
- PFC



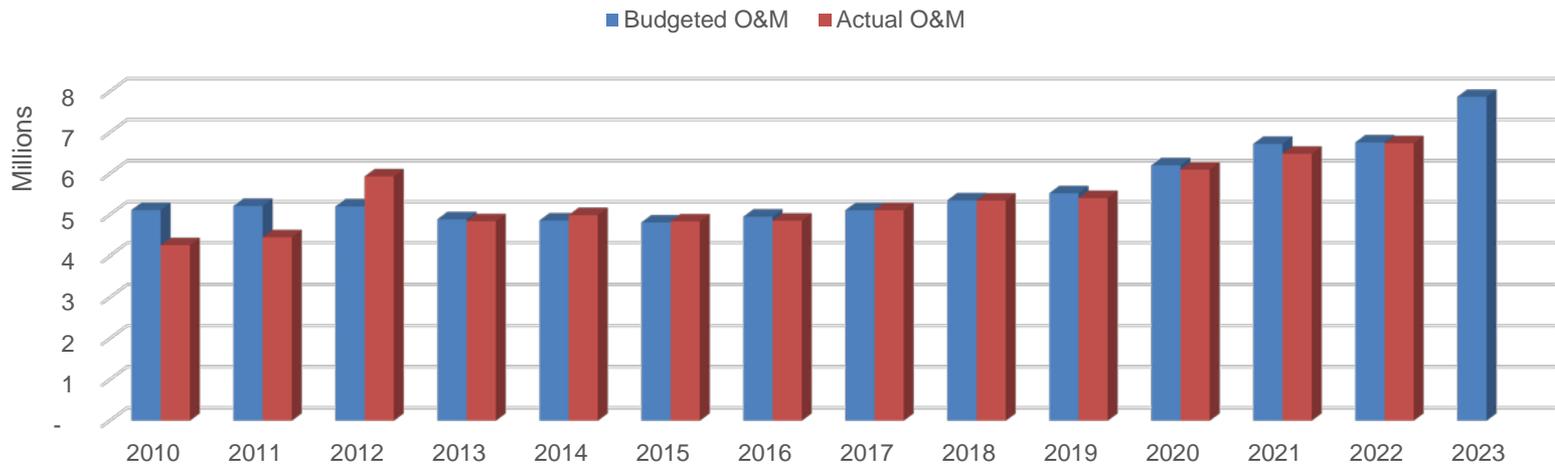
\*This \$12,534,177 consists of federal/state reimbursement for 4 projects. They are Projects 6, 7, 11 and 15 on the second to last page of this report. The federal share estimated to be spent for FY23 budgeted projects is \$8,662,500. These later two amounts may not flow as cash to the Authority but are paid by the FAA and State of Illinois and represent the federal and state contribution revenue of FY23 projects that will ultimately be capitalized by the Authority.

# OPERATIONS & MAINTENANCE

## O&M - Revenues (Budgeted Vs Actual)



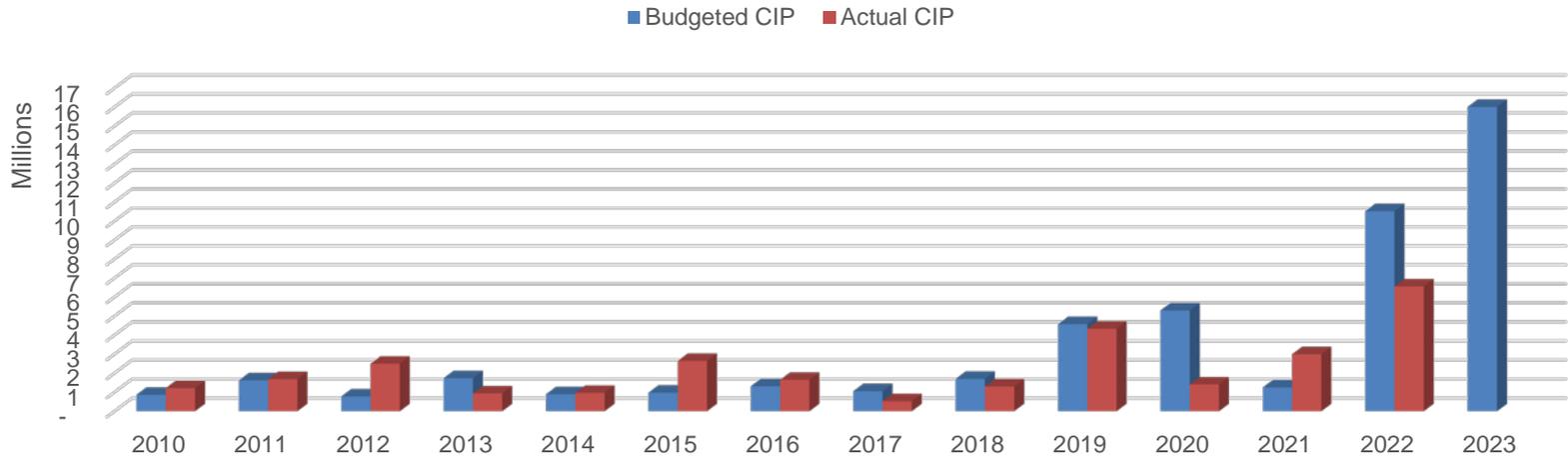
## O&M - Expenses (Budgeted Vs Actual)



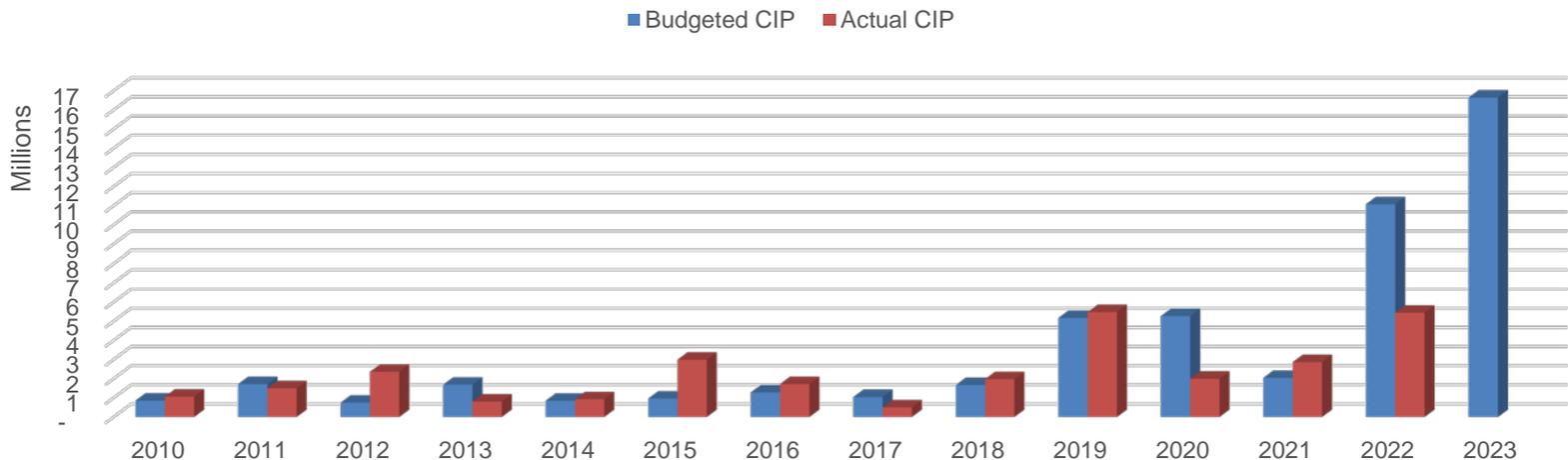
NOTE: FY2022 Actual figures are projected.

# CIP

## Revenues (Budgeted Vs Actual)



## Expenses (Budgeted Vs Actual)



NOTE: FY2023 Actual figures are projected & do not include projected encumbrances at 6/30/22

# FY 2023 O&M BUDGET MAIN ASSUMPTIONS

## Revenues

- Enplaned passengers 71,927 – this assumes there are three airlines – United (10,954 enplanements), American Eagle (26,513 enplanements) and Allegiant (19,568 enplanements). Flights per week are estimated at 7 for United, 14 for American Eagle and 2 for Allegiant.
- Revenue is being budgeted under Airlines for United, Allegiant and American. Revenue from American and Allegiant regarding ground handling is shown under Passenger Services income as in past years. At this point it is assumed there will be no ground handling revenue from United.
- An increase of 7% (CY2021 CPI) or 2.5% is generally earned on leases where applicable.
- Revenue shown for the west end of the terminal will remain steady this year. Office space located in the west end of the terminal is occupied by Moss Johnson, TSA, FAA-AFS, Army Guard, and Carbon Dynamics Institute. No revenue is being budgeted for the former Prairie Analytical space.
- No revenue is being budgeted for the vacant space in the FAA-FSDO (NWS) Building located between StandardAero and the Safety Building.
- Fuel revenues were \$252,000 in FY11, \$272,000 in FY12, \$211,000 in FY13, \$247,000 in FY14, \$246,000 in FY15, \$228,000 in FY16, 217,000 in FY17, \$203,000 in FY18, \$212,255 in FY19, \$188,000 in FY20, \$157,000 in FY21 and are estimated to be \$180,000 in FY22. Fuel revenues are being budgeted at \$200,000 for FY23.

## **Revenues** (continued)

- The lease with StandardAero was negotiated and settled before FY19 and they are paying fair market building rent on the facilities built with the proceeds of the 1986 and 1988 Revenue Bonds. We are budgeting \$1,189,000 for the leases and agreements with Standard Aero.
- TSA – The Law Enforcement Officers Reimbursement Agreement provides funds for staffing at the screening checkpoint. It is believed this amount will be approximately \$44,000 for FY23. This is in addition to the \$48,000 received for lease space rental and janitorial services provided by the Authority.
- Stellar Aviation acquired the FBO in FY17. The lease income received in FY16 was \$188,000. The income received in FY17 was \$217,400 and in FY18 revenues increased to \$229,000. Due to lease increases in FY19, revenues increased to \$285,000 and in FY20 increased to \$308,000. In FY21, revenues increased to \$339,000 and in FY22 to \$359,000. Due to lease increases in FY23, revenues are estimated to increase to \$375,000.
- Passenger Services revenues are projected to be \$548,000 this fiscal year. Ground handling for charters and diversions are expected to be \$11,000.

## **Revenues** *(continued)*

- Car rental revenue is anticipated to increase due to increased passenger traffic and rentals. The revenue is anticipated to increase from \$284,000 budgeted last fiscal year to \$428,000.
- Tax revenue will increase about \$57,000 for FY23. Of the total of \$2,573,527 taxes in this year's budget, not including the \$398,953 in proceeds for bonds, about \$2,243,043 is being allocated to O&M in order to have the projected 6/30/23 balance in O&M to be zero. The remaining \$311,475 will go to Capital Improvement.
- Replacement Taxes, which is a 2.5% tax on business net income (which replaced the corporate personal property tax in 1978) is being budgeted for \$521,000 in FY23.
- The Ag Farm should remain steady this year. The FY22 budget was \$138,000 and anticipated revenues for FY23 should be about \$141,000 due to SAA's shared cost for field tiling.
- T-Hangar rentals are increasing from \$507,000 being budgeted in FY22 to \$557,000 in FY23. This is due to occupancy rates remaining high and a large increase due to CPI-U.

# FY2023 O&M BUDGET MAIN ASSUMPTIONS

## Expenses

### All Departments

- Salary increases for the field maintenance and the custodial collective bargaining units are 4.5% based on the existing agreements. Increases for non-union employees are also being budgeted at 4.5%.
- A Vehicle Replacement Plan (VRP) was initiated in FY08 and continues. A transfer is made monthly to a separate interest bearing account where the money is being held. The annual amount proposed to be transferred in FY23 is \$255,944, last year \$261,314 was transferred. Replacement vehicles are purchased from this fund when the corresponding currently-used vehicle comes to the end of its useful life.
- The monthly transfer from O&M to fund the Workers' Comp & Post Employment Benefits Compliance Fund in FY22 equaled \$90,000. In FY23, monthly transfers totaling \$75,000 is being budgeted to maintain a reasonable reserve balance.
- Because of large investment losses by IMRF in calendar 2008, IMRF rates for the Authority's pension plan were higher in recent years. The percent of salaries paid to IMRF went from 7.56% in calendar 2008 and 8.11% in calendar 2009 to 12.52% in calendar 2010, 12.55% in calendar 2011, 12.19% in calendar 2012, 12.73% in calendar 2013, 12.59% in calendar 2014, 11.37% in calendar 2015, 11.03% in calendar 2016, 10.44% in calendar 2017, 11.28% in calendar 2018, 7.84% in calendar 2019, 11.41% in calendar 2020, 10.98% in calendar 2021, and 7.96% in calendar 2022. The Authority's rate will be 4.93% in calendar year 2023. In light of the recent large losses in the market and in anticipation of a large rate increase in the following years, the Board desired to allocate additional funds in the amount of \$57,620 for FY 2023, thus resulting in an effective rate of 8.385% in FY 2023.

## **Expenses** (continued)

### **Administration**

- The budget is increasing about \$225,000 compared to FY22, from about \$1,978,000 to \$2,205,000, an increase of 11%. This is due primarily to the Solar Array loan and anticipated additional legal services.

### **Maintenance & Custodial**

- The budget is increasing about \$459,000 compared to the current year – from \$2,983,000 to \$3,448,000, an increase of 15%.
- There is a decrease of about \$10,000 over the previous year in Custodial. This is due to a decrease in custodial equipment purchases compared to last year. The Maintenance budget is anticipated to increase overall from \$2,371,000 current year to \$2,840,000 in FY23. Personnel expenses are increasing about \$248,000 due to collective bargaining negotiated compensation increases. Services expenses are increasing about \$55,000. This is primarily due to a rise in natural gas prices as well as airfield signage needing replaced. Materials and supplies is increasing about \$170,000 compared to last year. This is due to an increased expense in fuel and oil for vehicles, runway chemicals and increases for airfield paint.

### **Public Safety**

- The budget is increasing \$50,000, about 5% over the current year, from \$971,000 to \$1,021,000.
- The increase is primarily due to personnel costs compared to FY22. Also, materials and supplies is increasing about \$30,000 compared to last year. This is primarily due to increased fuel and oil costs along with increased costs for ID badging.

## **Expenses** (continued)

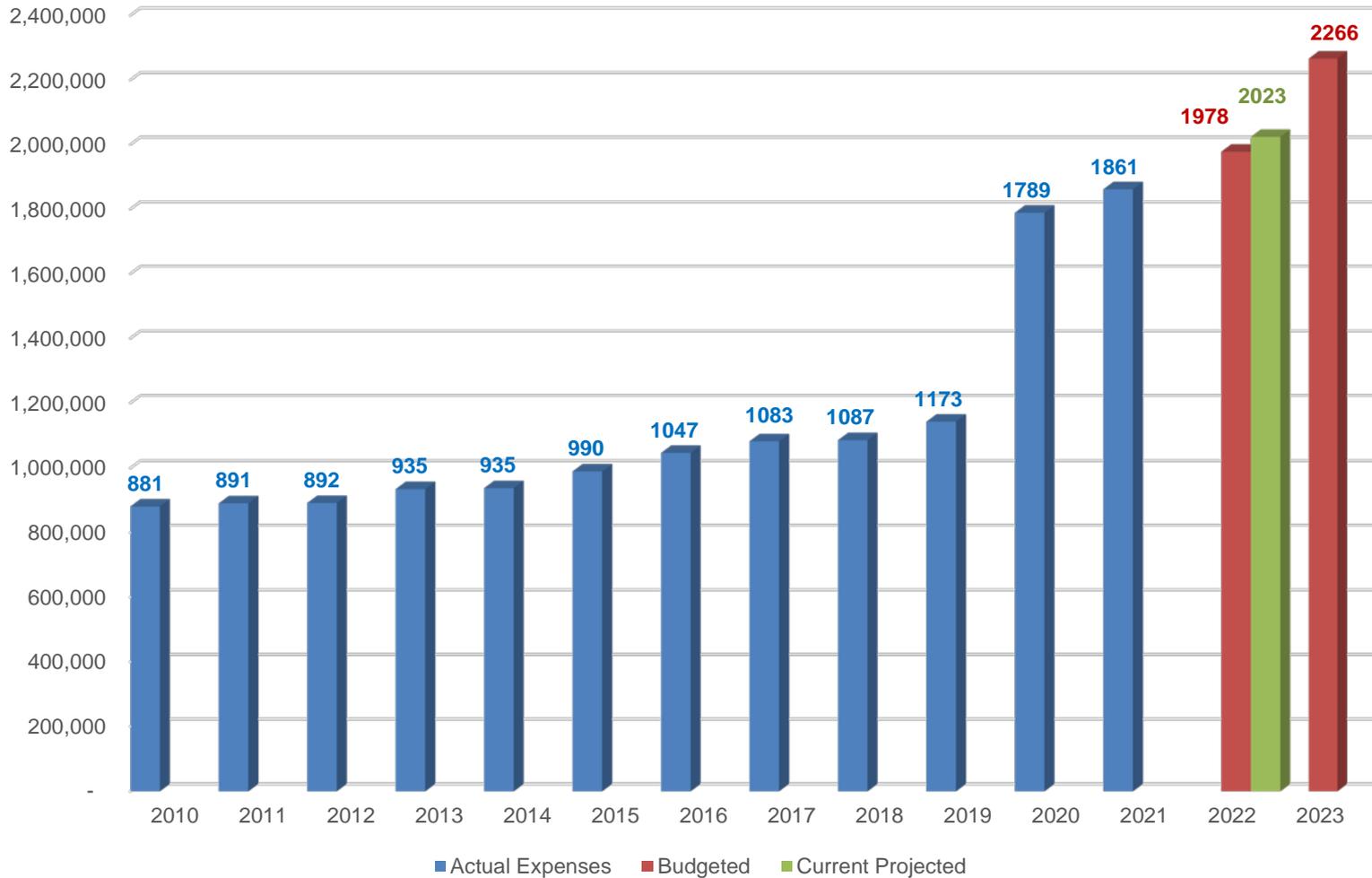
### **Marketing & Air Service Development**

- The budget is increasing about \$44,000 from \$321,000 to \$365,505.
- Advertising is increasing about \$8,500 compared to last year. Funds have been programmed to support 75<sup>th</sup> Anniversary activities.

### **Passenger Services**

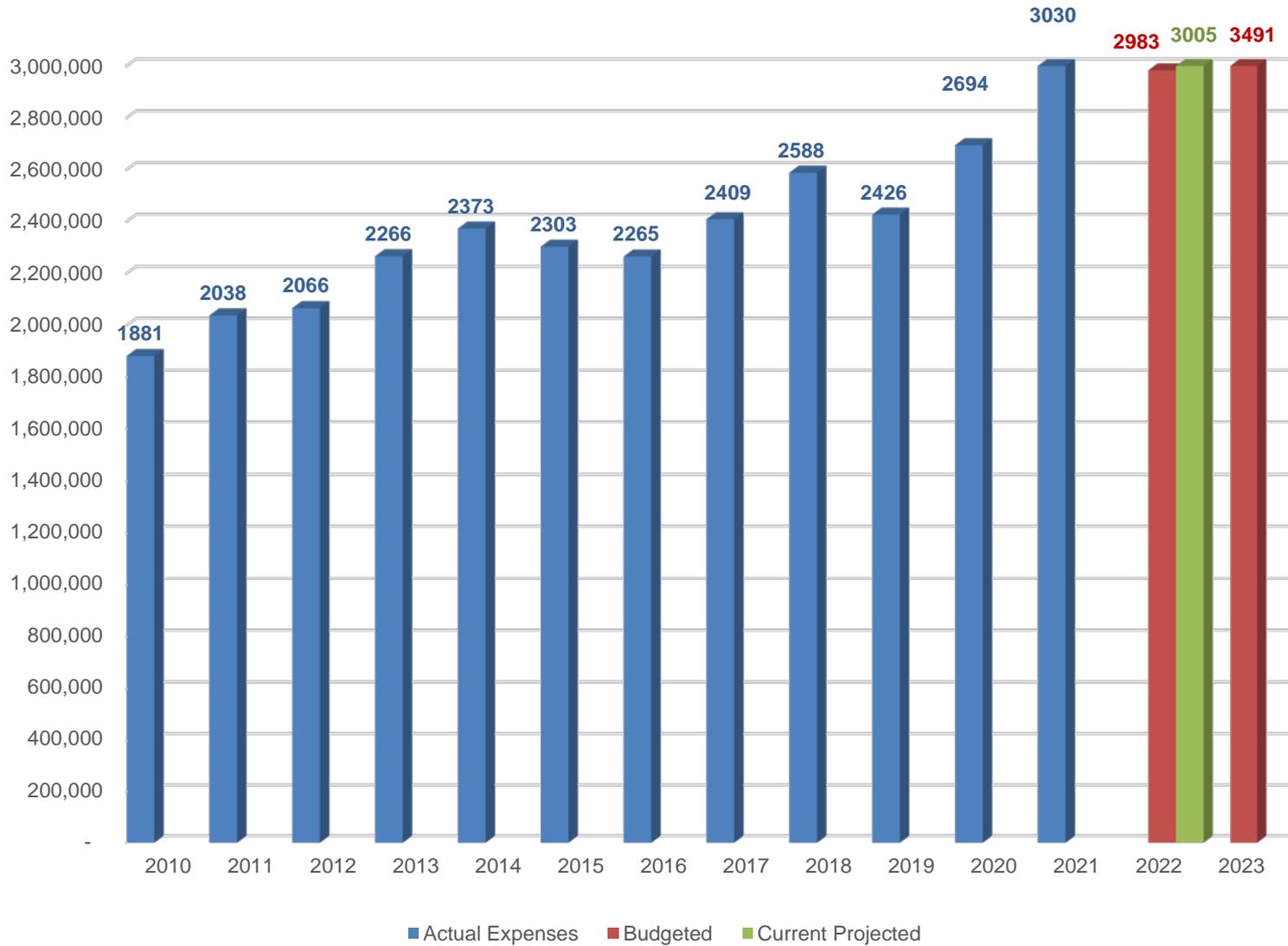
- In total, the budget is increasing \$187,000, from \$508,000 to \$695,000, or 37%.
- Personnel costs increased about \$174,000 due to the addition of personnel for increased flight services as well as salary adjustments.
- Materials and supplies is increasing about \$7,000 from last year, primarily due to increased fuel and oil costs.
- Additional flights to Phoenix/Mesa on Allegiant have resulted in additional expenses and corresponding revenues.

# ADMINISTRATION



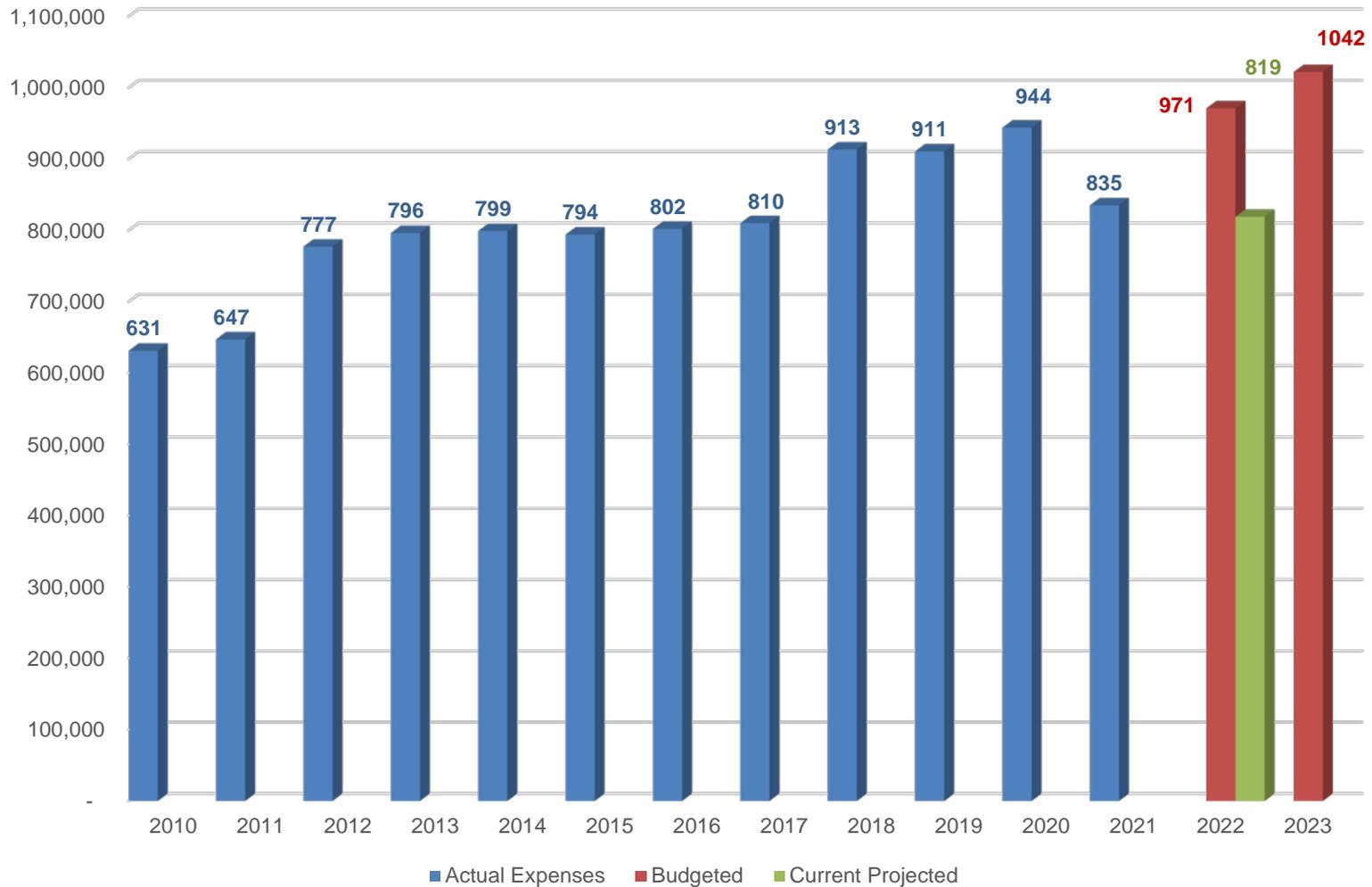
**Actual FY 2010 – 2021**  
**Budgeted/Projected FY22**  
**Proposed FY23**

# MAINTENANCE & CUSTODIAL



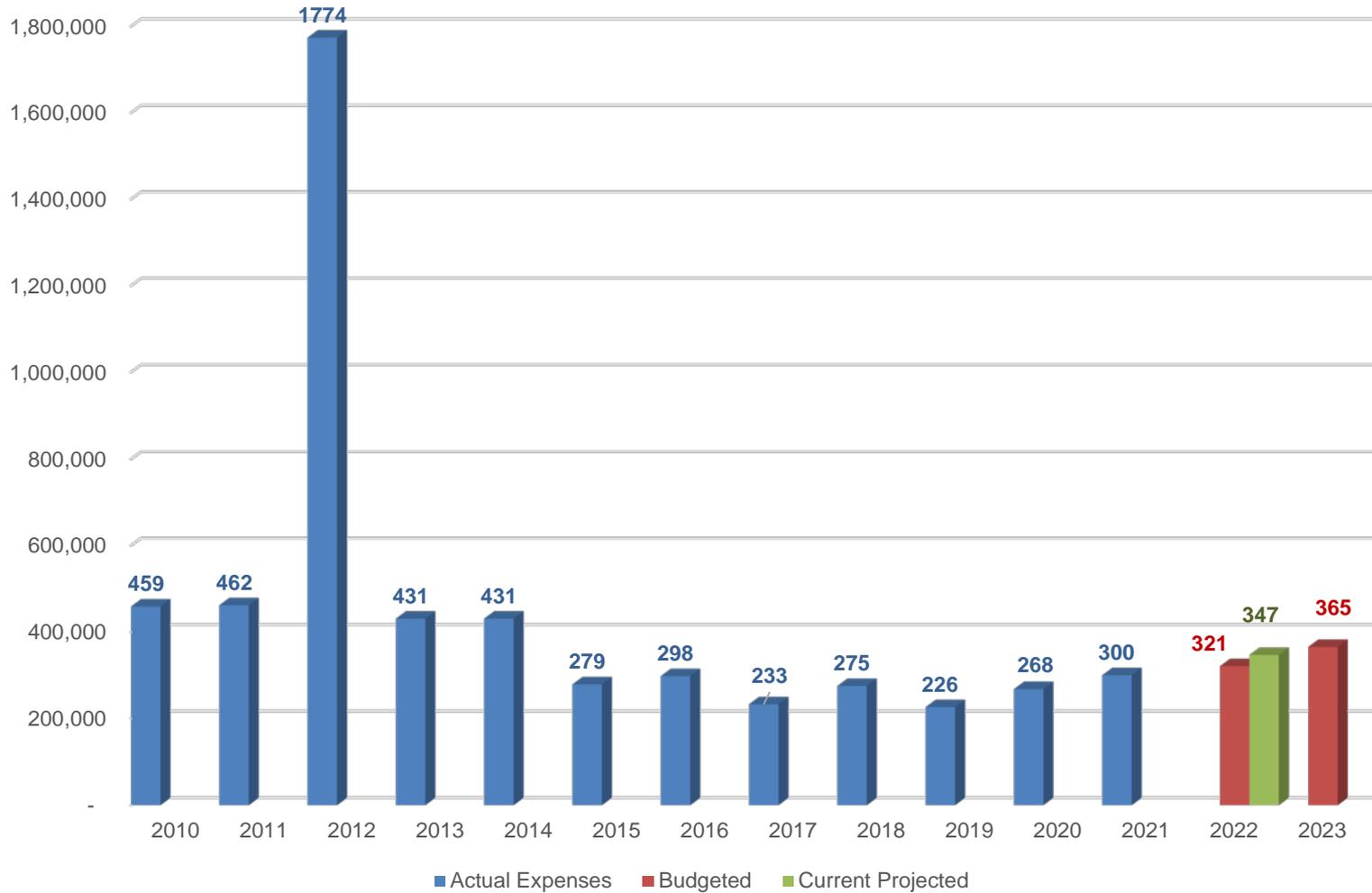
**Actual FY 2010 – 2021**  
**Budgeted/Projected FY22**  
**Proposed FY23**

# PUBLIC SAFETY



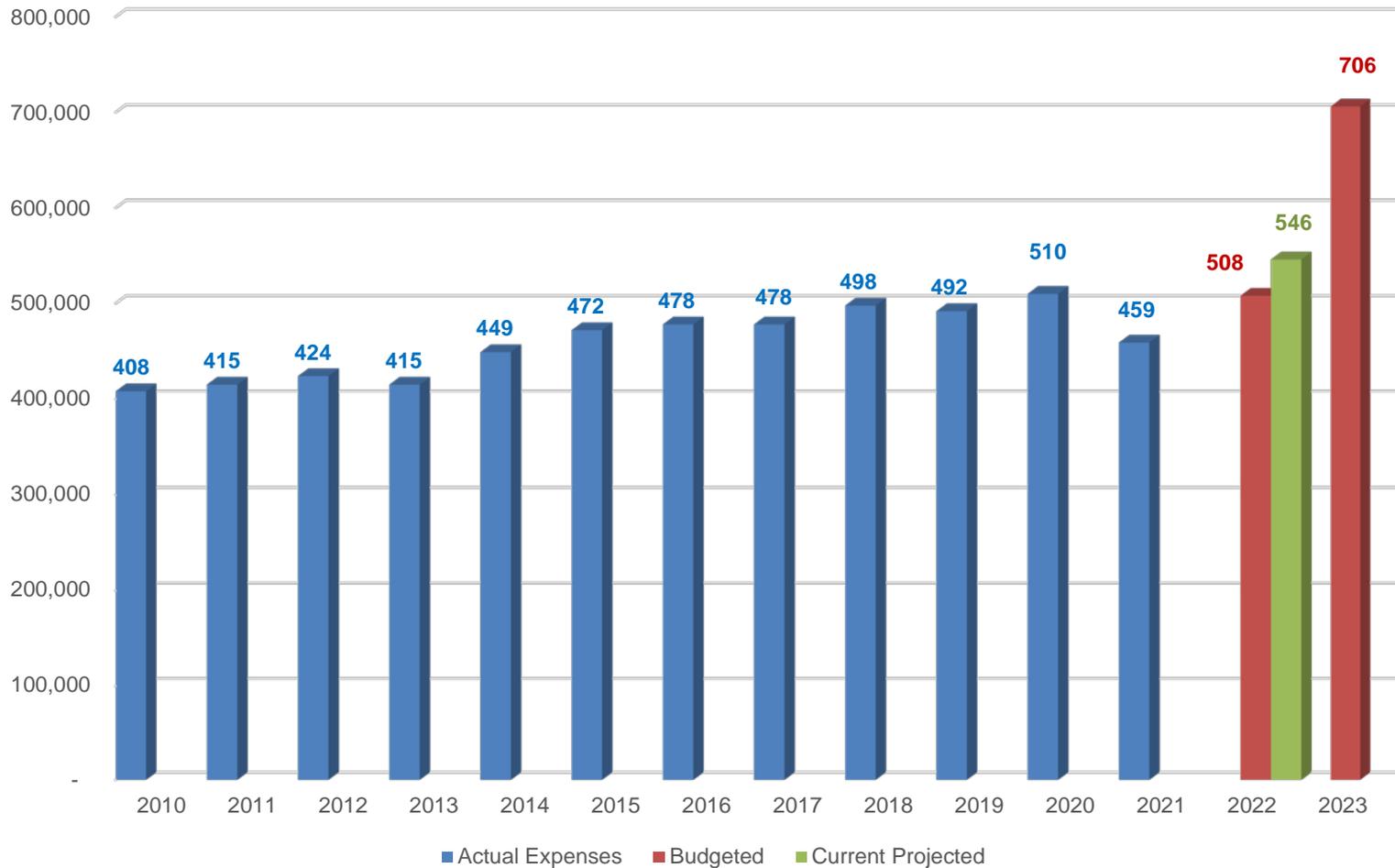
**Actual FY 2010 – 2021**  
**Budgeted/Projected FY22**  
**Proposed FY23**

# MARKETING



**Actual FY 2010 – 2021**  
**Budgeted/Projected FY22**  
**Proposed FY23**

# PASSENGER SERVICES



**Actual FY 2010 – 2021**  
**Budgeted/Projected FY22**  
**Proposed FY23**

# FY 2023 CAPITAL IMPROVEMENT BUDGET SUMMARY

- The Authority will use its own (local) funds to pay the cost of Items 2, 3, 9, 10, 12, 13 and 14 on the following sheet.
- The local share of Items 4, 5, 7, 8, 11 and 15 will come from PFC's.
- Items 6,7, 11 and 15 will be funded by a combination of Federal and/or State grants.
- Items 7, 9 and 10 will use VRP funding for their acquisition.

## Capital Improvement Program - FY 2023 Budget

Project #	Department	Description	Revenues	Expenses	Net	Remarks
<b>Line # Included in Budget</b>						
1	A	Encumbered Capital Improvement Projects	2,328,913	(2,326,913)	2,000	Previous Fiscal Year Projects Encumbered
2	A	Contingencies	0	(20,000)	(20,000)	Local Only - Generally for unexpected expenditures & expenditures more than expected
3	A	Commerce Park/Land Development	0	(20,000)	(20,000)	Local Only - Commerce Park and land development planning/engineering/signage
4	A	Terminal Escalator Removal and Elevator Rehab Project	234,000	(234,000)	0	100% PFC #8-16
5	A	Update Terminal FIDS	30,000	(30,000)	0	100% PFC #7
6	M	Rehab N. Airport Parking Lot & North Airport Roadways	3,060,000	(3,400,000)	(340,000)	Total Estimate: \$3,400,000; Revenue is: 90% State - 10% Local
7	M	Acquire High Speed Runway Broom/Front End Loader	1,232,419	(1,232,419)	0	Total Estimate: \$1,232,419; Revenue is: 90% Federal - 10% PFC #8-9
8	M	Security System Updates	175,000	(175,000)	0	100% PFC #6
9	M	Acquire One Ton Truck (F-550 Type)	71,832	(71,832)	0	100% VRP
10	M	Acquire Zero Turn Mower	24,400	(24,400)	0	100% VRP
11	M	Remove Runway 18/36, Phase III	8,000,000	(8,000,000)	0	Total Estimate: \$8,000,000; Revenue is: 90% Federal - 5% State - 5% PFC #6
12	M	Pavement Maintenance Program	0	(175,000)	(175,000)	100% Local
13	M	Acquire John Deere Gator UTV	0	(23,000)	(23,000)	100% Local
14	M	Commercial Property Painting and Roofing	0	(65,000)	(65,000)	100% Local
15	S	Rehab Public Safety Building, Phase II and Replace Generator	850,000	(850,000)	0	Total Estimate: \$850,000; Revenue is: 90% Federal - 10% PFC #8-7
16						
17						
18						
19						
20						
		<b>Total - As Budgeted</b>	<b>16,006,564</b>	<b>(16,647,564)</b>	<b>(641,000)</b>	

In Department Column  
A = Admin  
M = Maintenance  
P = Passenger Services  
S = Public Safety Department

# SCHEDULE

- Budget was placed on file on June 17<sup>th</sup>
- Public hearing will be immediately prior to July 19<sup>th</sup> regular Board Meeting
- Budget will be adopted at July 19<sup>th</sup> regular Board meeting