

FISCAL YEAR

2025

BUDGET

Board of Commissioners
Review

May 21, 2024

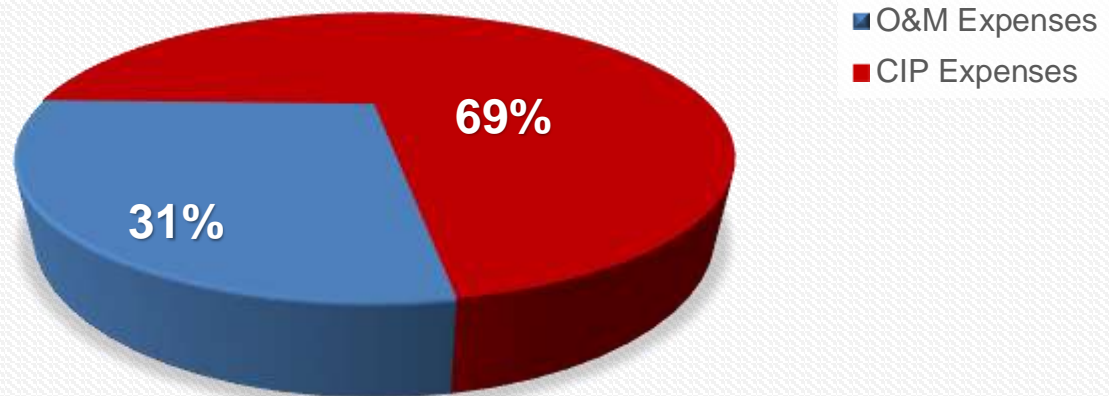


ABRAHAM LINCOLN[®]
CAPITAL AIRPORT
A T S P R I N G F I E L D

OPERATIONS & MAINTENANCE / CAPITAL IMPROVEMENT

SUMMARY

○ Forecasted 6/30/24 Balance Available	\$ 700,000
○ Transfer from OMC Reserve	\$ 460,734
○ Forecasted Revenues	\$ 25,647,477
○ Forecasted O & M Expenses	(\$ 8,346,155)
○ Forecasted CIP Expenses	(\$18,489,056)
Forecasted 6/30/25 Balance Available/Short	\$ 0



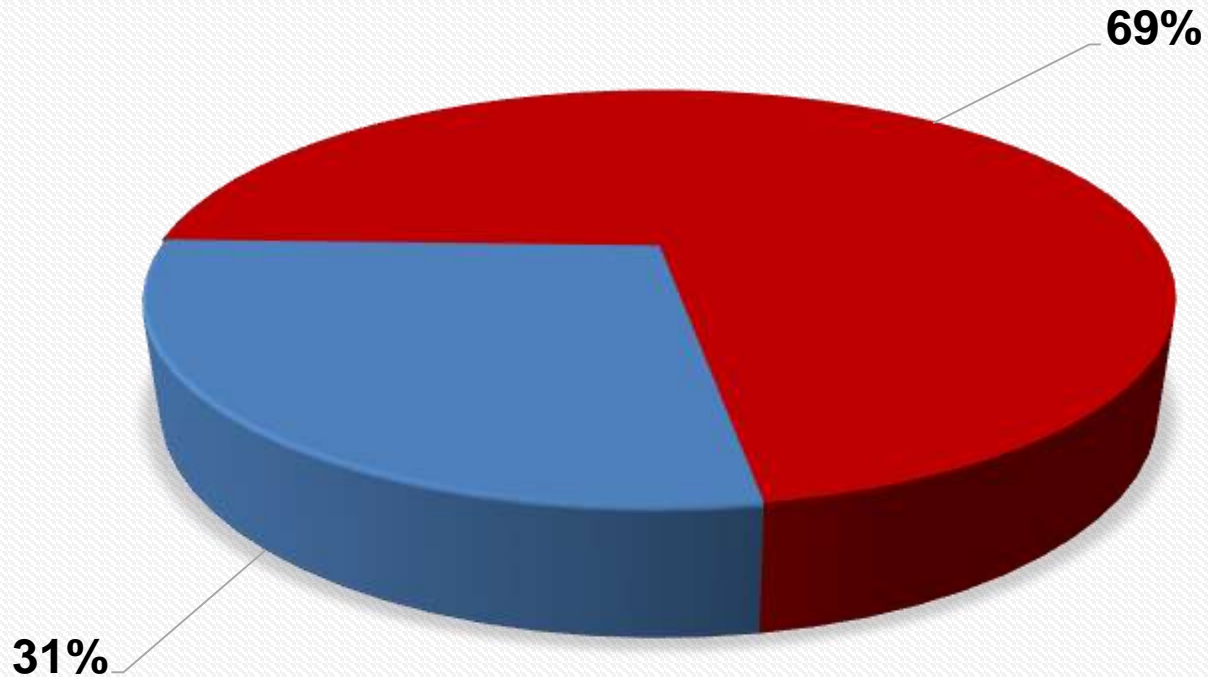
* Any unobligated funds at 6/30/24 will be transferred to Capital Improvement

OPERATIONS & MAINTENANCE / CAPITAL IMPROVEMENT SUMMARY

	RECOMMENDED BUDGET FY25	% Change of Recommended Budget FY25 over Adopted Budget FY24	ADOPTED BUDGET FY24
<u>OPERATIONS & MAINTENANCE (O&M) BUDGET</u>			
A. Beginning Balance	(A) _____ 0		(A) _____ 0
B. Property Tax Revenue (O&M portion)	(B) _____ 2,432,655	5.1%	(B) _____ 2,314,948
C. Revenue (All except A)	(C) _____ 5,913,500	-0.9%	(C) _____ 5,968,386
D. Expenses - Operating	(D) _____ (8,346,155)	0.8%	(D) _____ (8,283,334)
E. O&M Income Remaining/(Shortfall): (A+B+C+D)	(E) _____ 0		(E) _____ 0
<u>CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET</u>			
F. Beginning Balance	(F) _____ 150,000		(F) _____ 4,000
G. Transfer from O&M	(G) _____ 550,000		(G) _____ 535,000
H. Transfer from OMC Reserve	(H) _____ 460,734		(H) _____ 0
I. Property Tax Revenue (CIP portion)	(I) _____ 408,679	22.7%	-1 _____ 333,058
J. Revenue	(J) _____ 16,919,643	14.2%	(J) _____ 14,809,649
K. Expenses	(K) _____ (18,489,056)	17.9%	(K) _____ (15,677,403)
L. CIP Funds Remaining/(Shortfall): (F+G+H+I+J+K)	(L) _____ 0	-100.0%	(L) _____ 4,304
<u>TOTAL O&M AND CIP BUDGETS</u>			
M. Remaining/(Shortfall)-Net for the year: (E+L)	(M) _____ 0	-100.0%	(M) _____ 4,304
N. Net Total All Funds	(N) _____ 0	-100.0%	(N) _____ 4,304

THE PROPOSED BUDGET

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



\$26,835,211

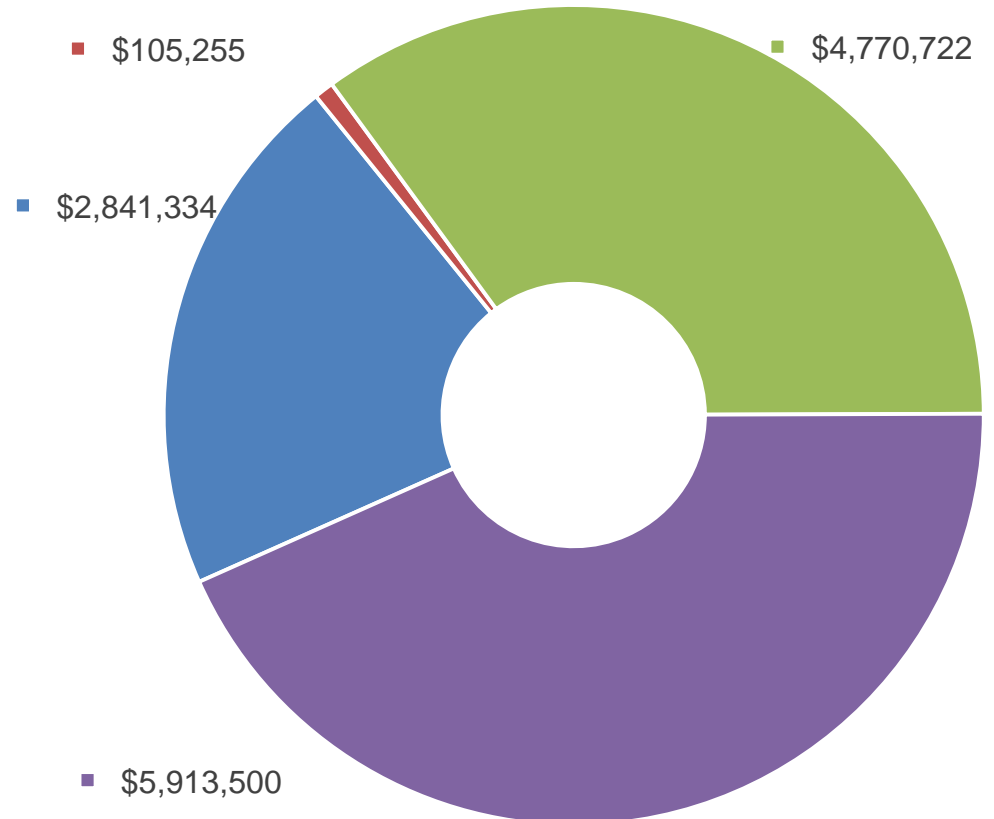
OPERATIONS & MAINTENANCE / CAPITAL IMPROVEMENT SOURCES OF FUNDING (REVENUES)

➤ Federal/State Grants

➤ Tenant Rents & Fees

➤ Property Taxes

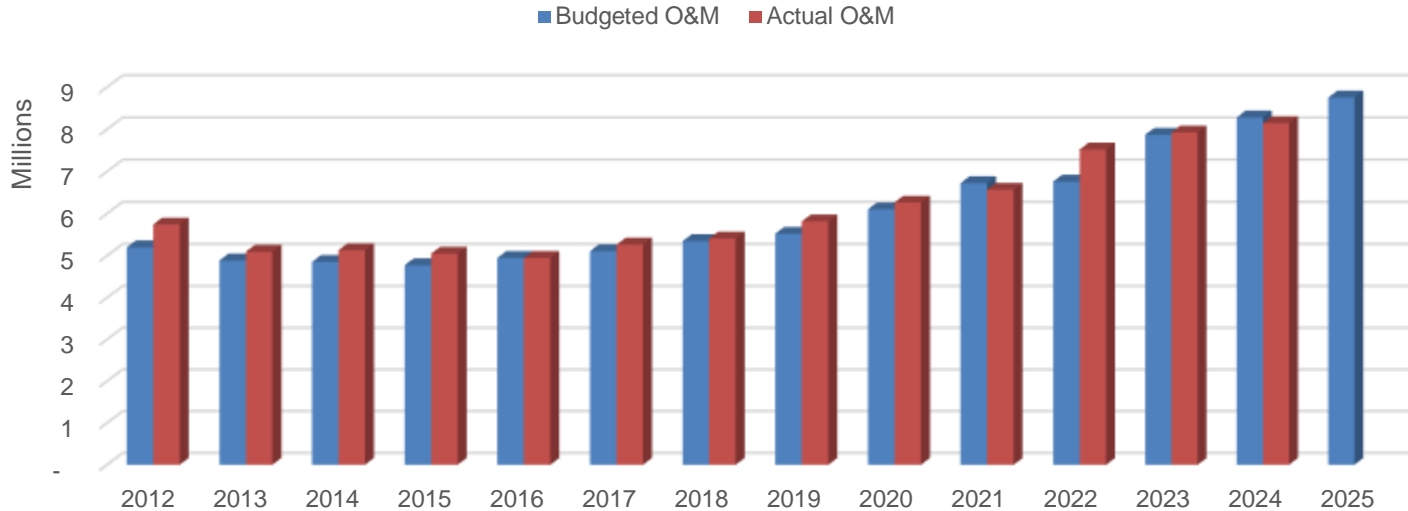
➤ PFC



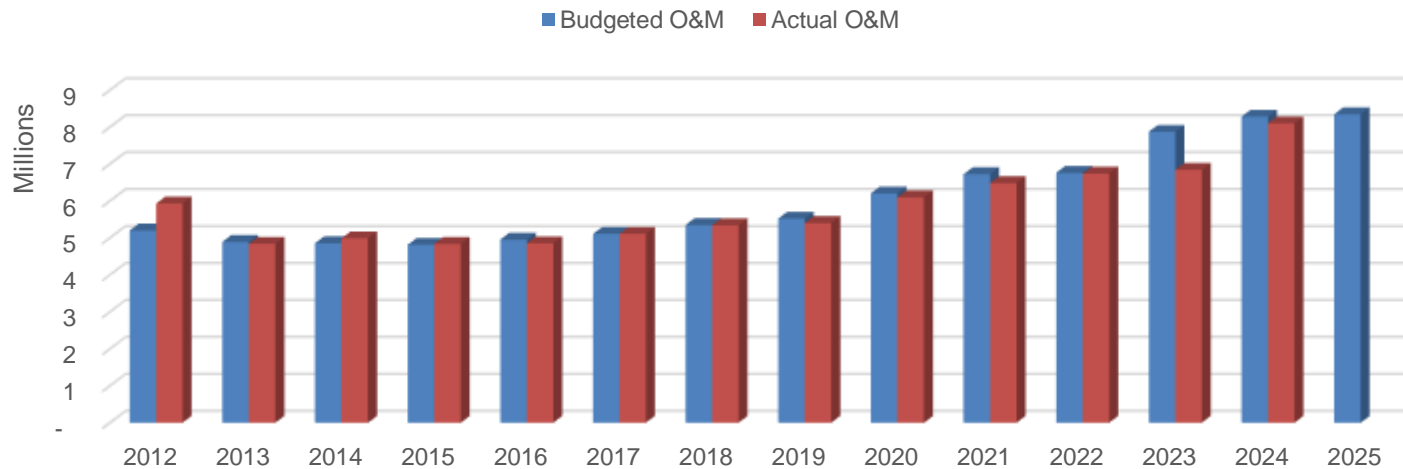
*This \$4,770,722 consists of federal/state reimbursement for 5 projects. They are Projects 6, 7, 8, 9 and 10 on the second to last page of this report. The federal share estimated to be spent for FY25 budgeted projects is \$4,519,630. These later two amounts may not flow as cash to the Authority but are paid by the FAA and State of Illinois and represent the federal and state contribution revenue of FY25 projects that will ultimately be capitalized by the Authority.

OPERATIONS & MAINTENANCE

O&M - Revenues (Budgeted Vs Actual)



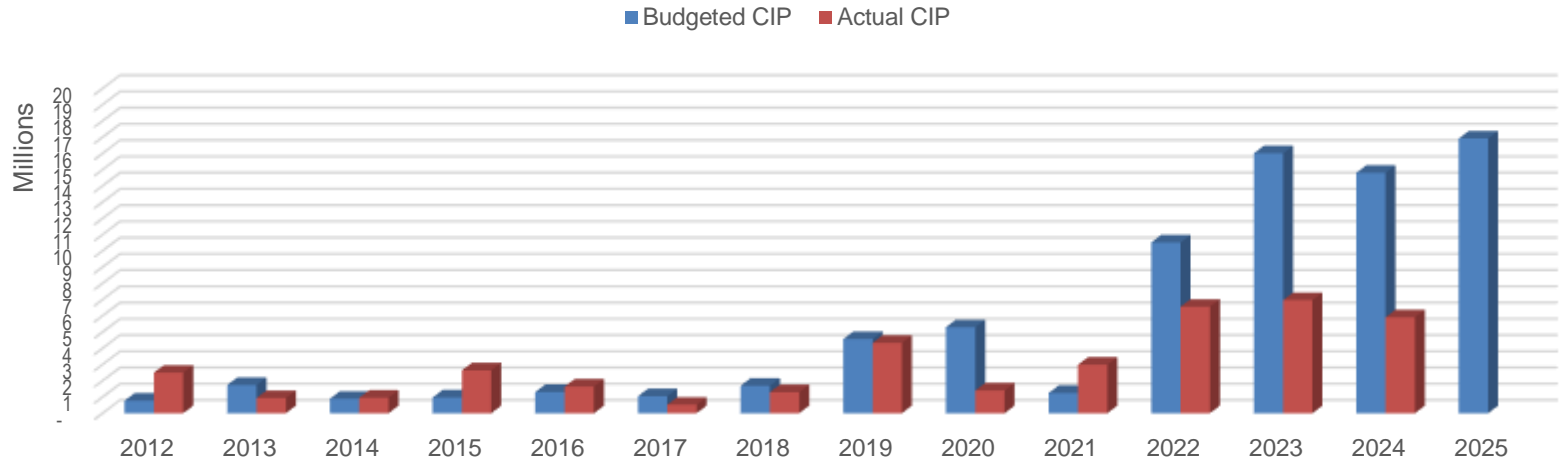
O&M - Expenses (Budgeted Vs Actual)



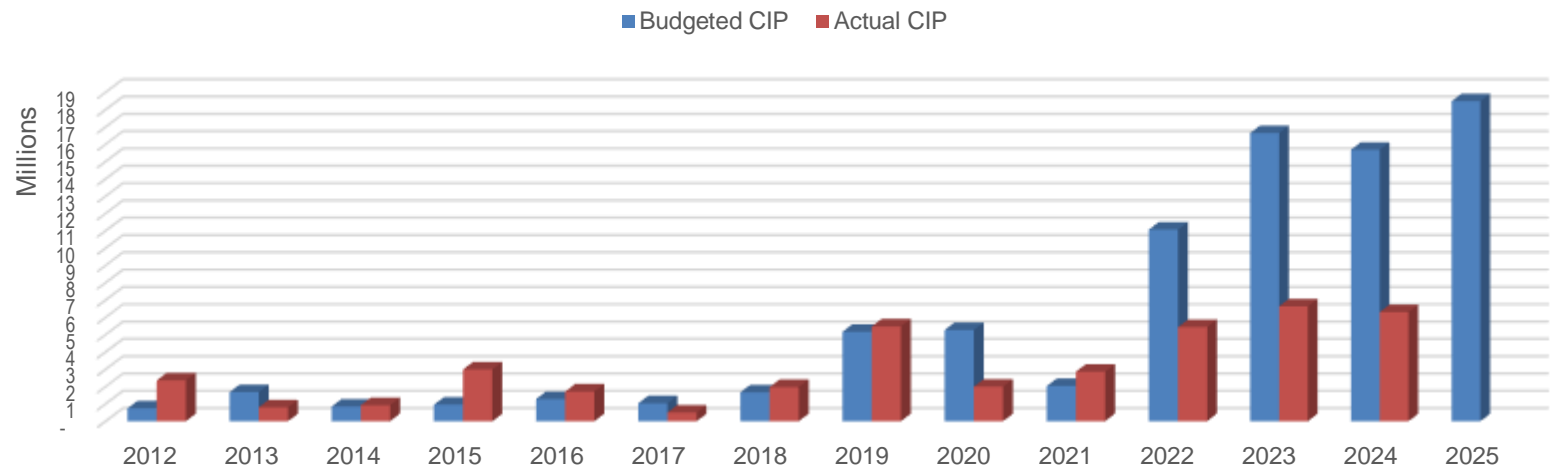
NOTE: FY2024 Actual figures are projected.

CIP

Revenues (Budgeted Vs Actual)



Expenses (Budgeted Vs Actual)



NOTE: FY2024 Actual figures are projected & do not include projected encumbrances at 6/30/24

FY 2025 O&M BUDGET MAIN ASSUMPTIONS

Revenues

- Enplaned passengers 56,828– this assumes there are three airlines – American Eagle (27,375 enplanements), Allegiant (16,912 enplanements) and Breeze (12,541 enplanements - approximate). Flights per week are estimated at 14 for American Eagle, 2 for Allegiant and 3 for Breeze.
- Revenue is being budgeted under Airlines for American and Allegiant. Revenue from American, Allegiant and Breeze regarding ground handling is shown under Passenger Services income.
- An increase of 3.4% (CY2023 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 vacant space in the FAA-FSDO (NWS) Building located between StandardAero and the Safety Building.
- Fuel revenues were \$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, \$195,000 in FY22, \$199,000 in FY23 and are estimated to be \$159,000 in FY24. Fuel revenues are being budgeted at \$165,000 for FY25. The decrease last year was primarily due to the reduction in United service. We anticipate a slight increase in FY25 due to increased Army Guard Flight operations.

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 \$1,516,000 for the leases and agreements with Standard Aero. \$322,000 of this amount is for the Solar Power Purchase Agreement.
- TSA – The Law Enforcement Officers Reimbursement Agreement provided funds for staffing at the screening checkpoint. In April 2024, the federal government eliminated this program. This caused a \$44,000 decrease in the TSA Revenue budget. The Authority will only receive \$52,000 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. In FY23 revenues increased to \$375,000. In FY24 revenues increased to \$400,000. Due to lease increases in FY25, revenues are estimated to increase to \$416,000.
- Passenger Services revenues are projected to be \$528,000 this fiscal year. Ground handling for charters and diversions are expected to be \$12,000.

Revenues *(continued)*

- Car rental revenue is anticipated to decrease slightly due to Hertz entering into an off-airport agreement. The revenue is anticipated to decrease from \$358,500 budgeted last fiscal year to \$347,000.
- Tax revenue will increase about \$193,000 for FY25. Of the total of \$2,841,334 taxes in this year's budget, not including the \$399,117 in proceeds for bonds, about \$2,432,655 is being allocated to O&M in order to have the projected 6/30/25 balance in O&M to be zero. The remaining \$408,679 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 \$650,000 in FY25.
- The Ag Farm should remain steady this year. The FY24 budget was \$141,000 and anticipated revenues for FY25 should be about \$143,000.
- T-Hangar rentals are increasing from \$620,000 budgeted in FY24 to \$644,000 in FY25. This is due to occupancy rates remaining high and increases due to CPI-U. Also, last year the Authority implemented a rate structure based on aeronautical vs non-aeronautical use.

FY2025 O&M BUDGET MAIN ASSUMPTIONS

Expenses

All Departments

- Salary increases for field maintenance are being budgeted at 4% and 3.4% for custodial collective bargaining units based on the existing agreements. Increases for non-union employees are also being budgeted at 3.4%.
- 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 FY25 is \$255,241, last year \$263,626 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 transfers from O&M to fund the Workers' Comp & Post Employment Benefits Compliance Fund in FY24 totaled \$60,000. In FY25, monthly transfers totaling \$60,000 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, 7.96% in calendar 2022, 4.93% in calendar year 2023 and 6.5% in calendar year 2024. The Authority's rate for calendar year 2025 has been determined to be 6.8% by IMRF.

Expenses (continued)

Administration

- The budget is decreasing about \$126,000 compared to FY24, from about \$2,836,000 to \$2,710,000, a decrease of 4.4%. This is due primarily to a decrease in personnel expenses compared to what was budgeted in the previous year.

Maintenance & Custodial

- The budget is increasing about \$7,000 compared to the current year – from \$3,401,000 to \$3,408,000, an increase of 0.2%.
- There is an increase of about \$26,000 over the previous year in Custodial. This is due to an increase in personnel expenses compared to last year. The Maintenance budget is anticipated to decrease overall from \$2,740,000 current year to \$2,720,000 in FY25. Personnel expenses are decreasing about \$44,000. Services expenses are increasing about \$57,000. Materials and supplies are decreasing about \$27,000 compared to last year.

Public Safety

- The budget is increasing \$66,000 over the current year, from \$1,042,000 to \$1,103,000. Personnel expenses increased approximately \$73,000 over the previous year, and materials and supplies are decreasing \$7,000.
- All other expense categories are remaining fairly consistent compared to last fiscal year.

Expenses (continued)

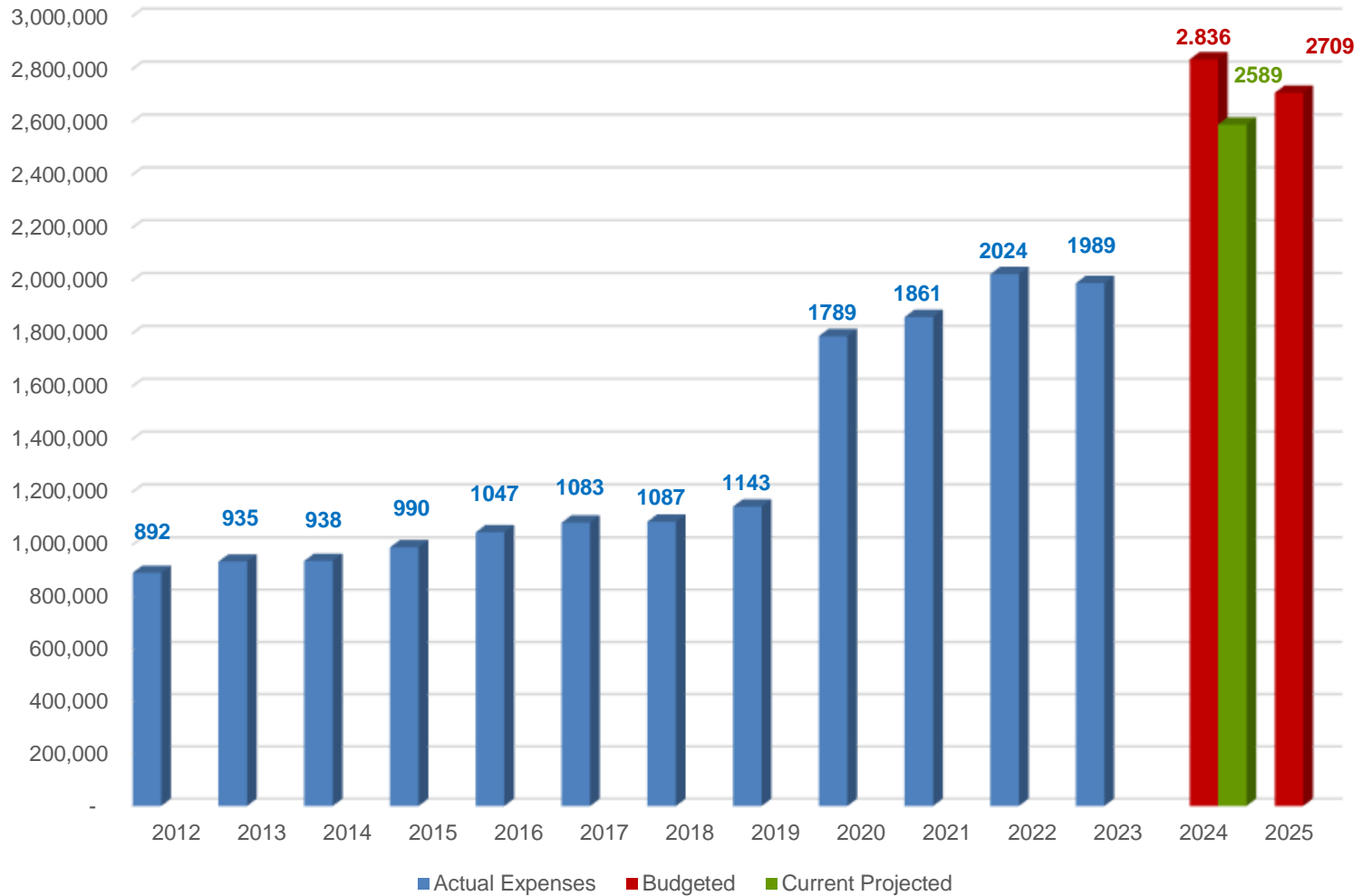
Marketing & Air Service Development

- The budget is increasing about \$21,000 from \$354,000 to \$376,000.
- Services are increasing about \$32,000 from last year while materials and supplies and equipment are decreasing slightly.

Passenger Services

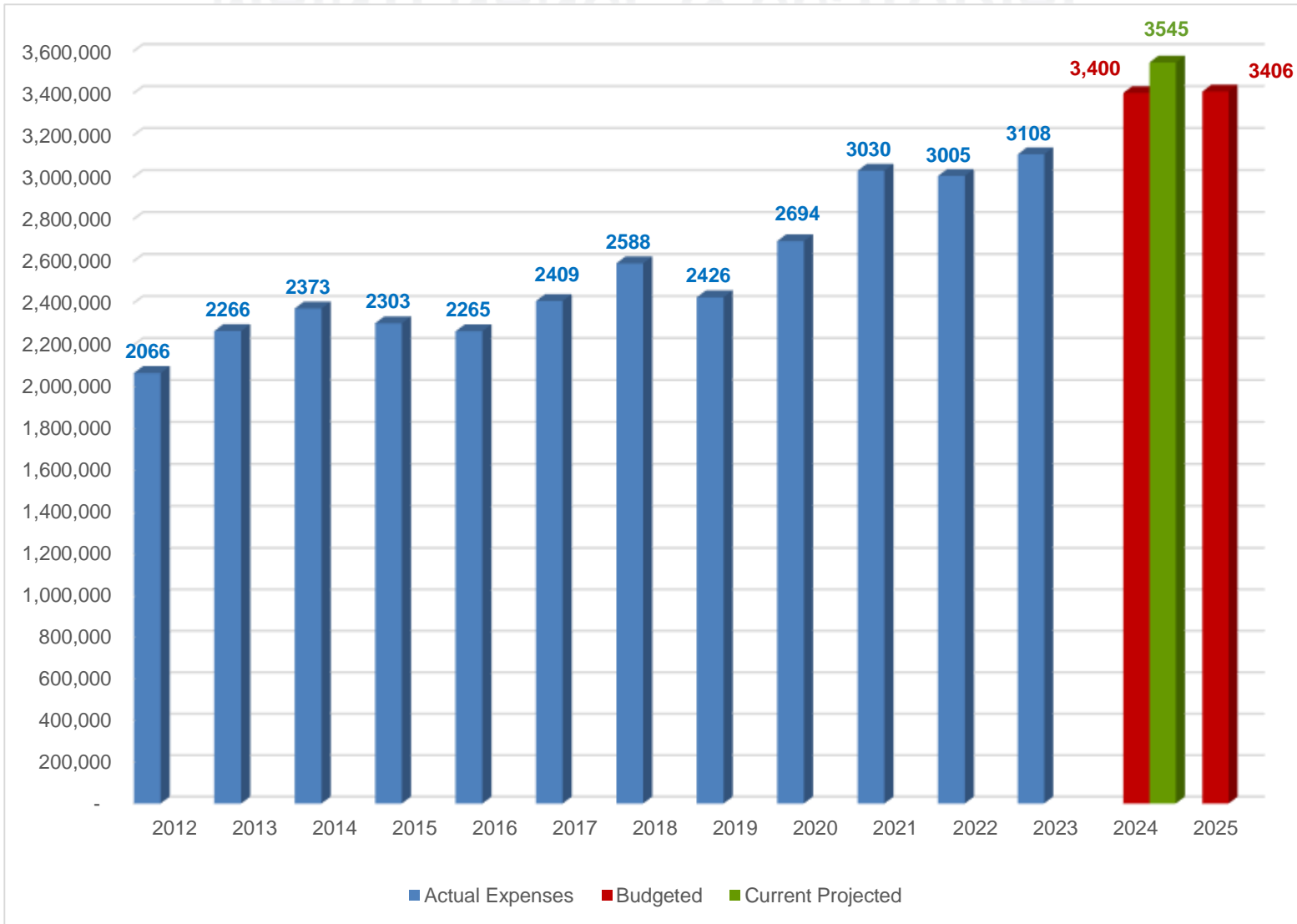
- In total, the budget is increasing \$96,000, from \$650,000 to \$746,000, or 14.7%.
- This is primarily due to personnel costs with the addition of Breeze Airlines.

ADMINISTRATION



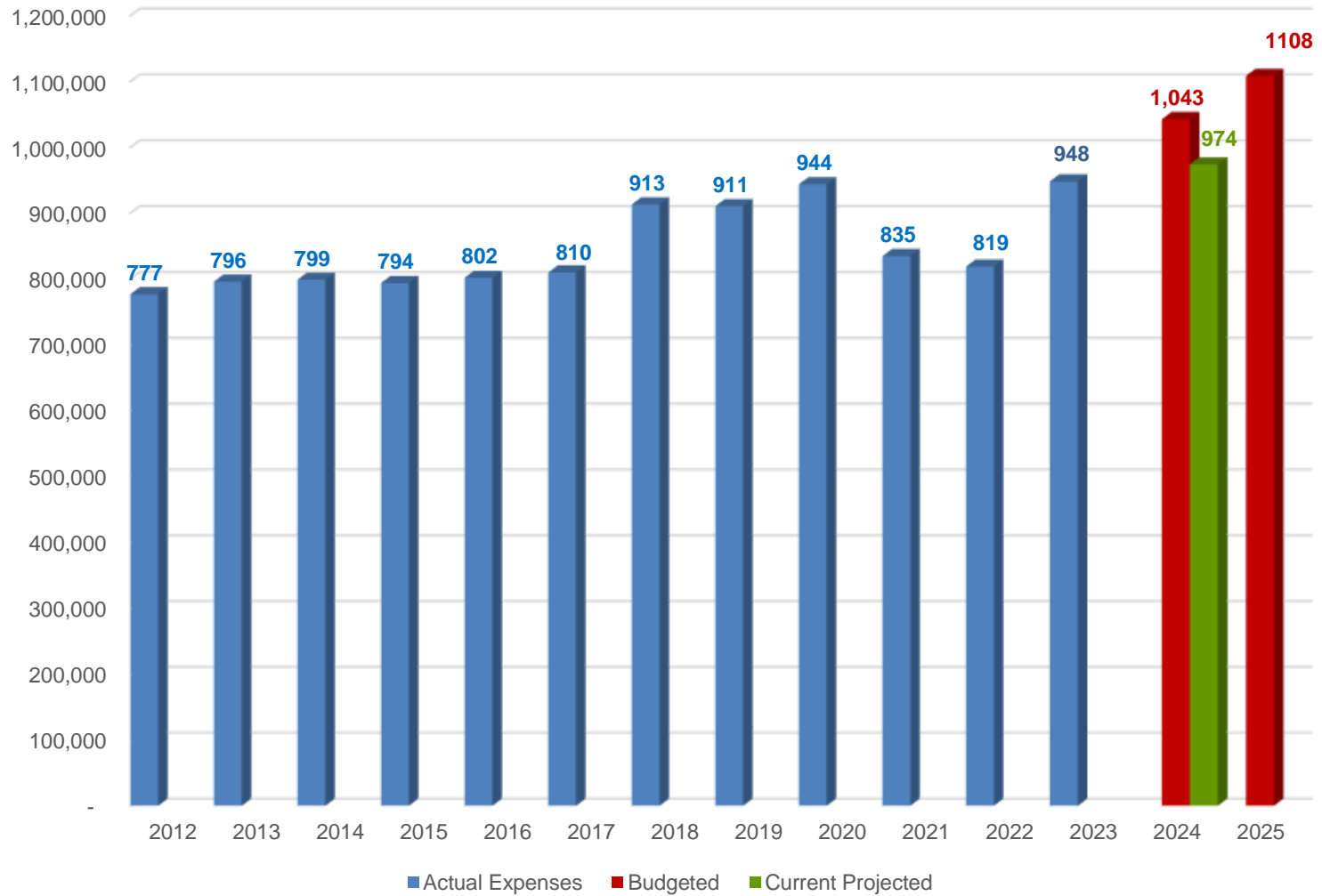
Actual FY 2012 – 2023
Budgeted/Projected FY24
Proposed FY25

MAINTENANCE & CUSTODIAL



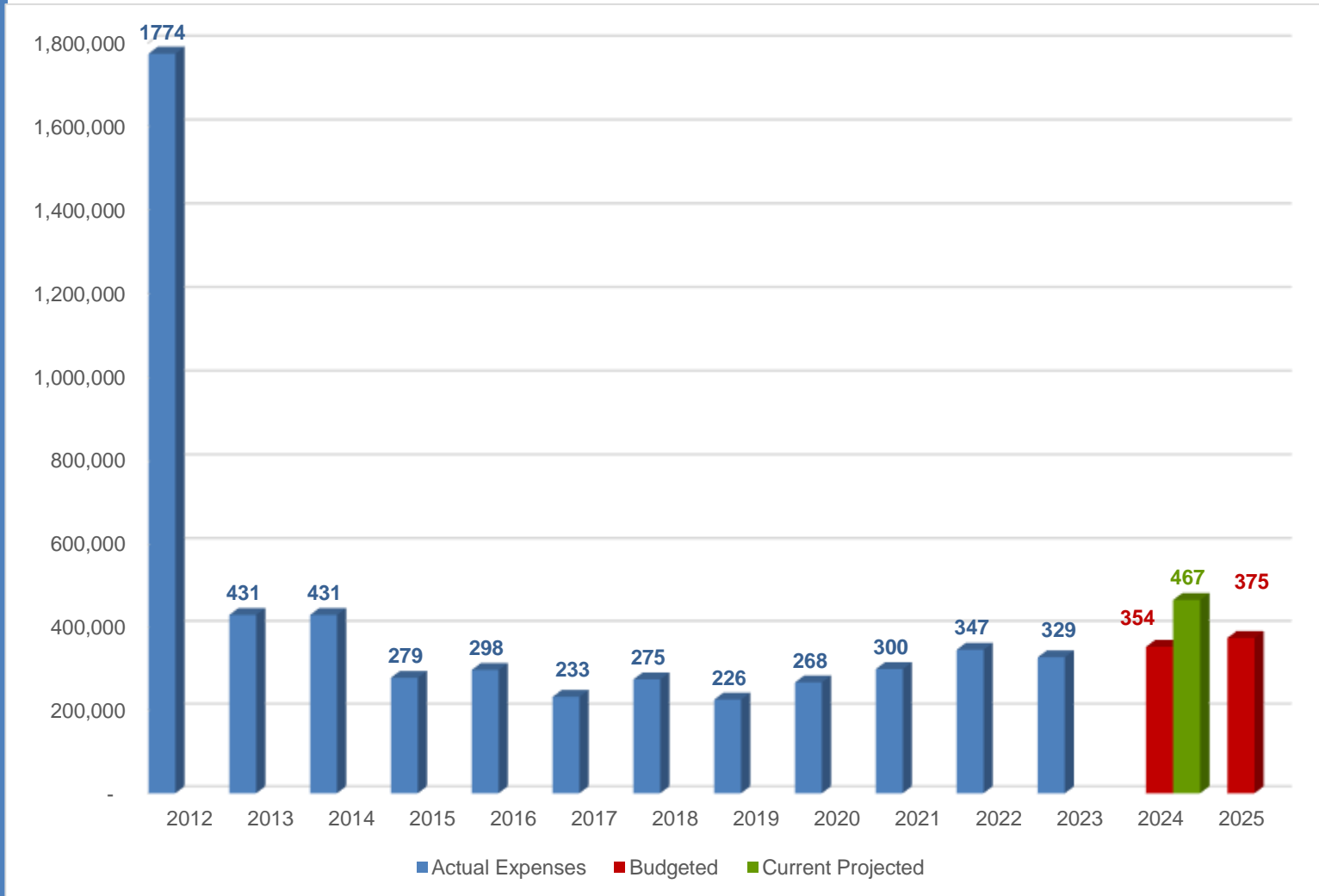
Actual FY 2012 – 2023
Budgeted/Projected FY24
Proposed FY25

PUBLIC SAFETY



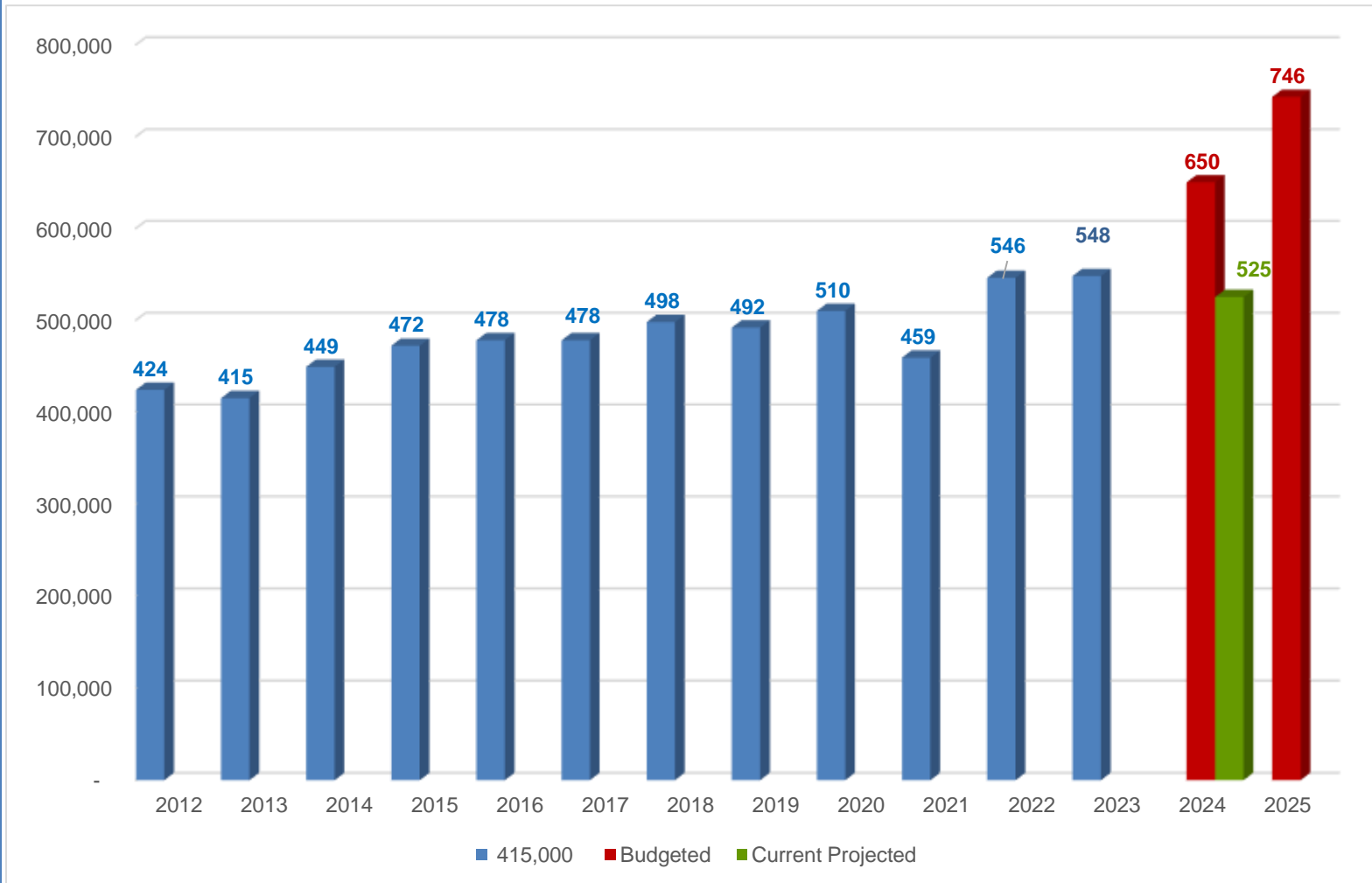
Actual FY 2012– 2023
Budgeted/Projected FY24
Proposed FY25

MARKETING



Actual FY 2012 – 2023
Budgeted/Projected FY24
Proposed FY25

PASSENGER SERVICES



Actual FY 2012 – 2023
Budgeted/Projected FY24
Proposed FY25

FY 2025 CAPITAL IMPROVEMENT BUDGET SUMMARY

- Item 1, Encumbered balance, is the cash on hand needed to complete projects.
- The Authority will use its own (local) funds to pay the cost of Items 2, 3, 4, 5, 11, 13, 14 and 15 on the following sheet.
- The local share of Items 7 and 9 will come from PFC's and/or local funds.
- Items 6, 7, 8, 9, and 10 will be funded by a combination of Federal and/or State grants.
- Item 16 will use VRP funding for its acquisition.

Capital Improvement Program - FY 2025 Budget

Project #	Department	Description	Revenues	Expenses	Net	Remarks
Included in Budget						
1	A	Encumbered Capital Improvement Projects	9,469,814	(9,743,392)	(273,578)	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	(15,000)	(15,000)	Local Only - Commerce Park and land development planning/engineering/signage
4	A	Airport Property Demolition	0	(15,000)	(15,000)	Local Only - Expenditures for building demolition, trucking/debris removal
5	A	Terminal/Office/Meeting Room/Common Area Improvements	0	(400,000)	(400,000)	Local Only
6	M	Expand Fuel Farm	634,315	(667,700)	(33,385)	Total Estimate: \$667,700; Revenue is: 90% Federal AIP - 5% State - 5% Local (BL-AIG)
7	M	Rehabilitate Runway 13/31, Phase I, Preliminary Design	434,000	(434,000)	0	Total Estimate: \$434,000; Revenue is: 90% Federal - 5% State - 5% PFC #6-27 and 6-28 (AIP)
8	M	Wildlife Mitigation Phase V Environmental & Design	331,550	(349,000)	(17,450)	Total Estimate: \$349,000; Revenue is: 90% Federal - 5% State - 5% Local (AIP)
9	M	Rehabilitate Public Safety Building / FSDO-Construction	1,671,112	(1,671,112)	0	Total Estimate: \$1,671,112; Revenue is: 90% Federal - 5% State - 5% Local, PFC #8-7 (BL-AIG)
10	M	Expand Terminal Ramp	1,805,000	(1,900,000)	(95,000)	Total Estimate: \$1,900,000; Revenue is: 90% Federal - 5% State - 5% Local (SUPP-CDS)
11	M	* Terminal Improvements-Bag Claim/PBB-Design		(250,000)	(250,000)	Design Estimate-Speculative Project; Revenue is: 90% Federal - 5% State - 5% Local (BL-ATP)
12	M	StandardAero Facility Improvements, Phase II	2,500,000	(2,500,000)	0	100% Local (Commercial Loan O&M)
13	M	Pavement Maintenance Program	0	(200,000)	(200,000)	100% Local
14	M	Hangar C1 and C2 Improvements	0	(250,000)	(250,000)	100% Local
15	S	2012 Chevy Tahoe Replacement	73,852	(73,852)	0	100% VRP
		Total - As Budgeted	16,919,643	(18,489,056)	(1,569,413)	

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

SCHEDULE

- Board Review Session will be at the May 21st Board meeting
- Budget will be placed on file on or before June 14th
- Public hearing will be immediately prior to July 16th regular Board meeting
- Budget will be adopted at July 16th regular Board meeting