

FINANCE COMMITTEE

14-0139R

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2014, TO
DECEMBER 31, 2014, OPERATION BUDGET OF THE DULUTH
AIRPORT AUTHORITY

CITY PROPOSAL:

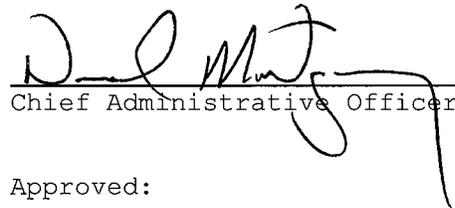
RESOLVED, that the operation budget for the fiscal year January 1, 2014,
to December 31, 2014, in the amount of \$9,151,542 the Duluth Airport Authority
is hereby approved.

FURTHER RESOLVED, that the authority included in the resolution shall
submit to the city council its proposed budget in a prescribed format on or
before November 30 of each year.

Approved:


Department Director

Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

BUDGET CB:le 03/14/2014

STATEMENT OF PURPOSE: This resolution adopts the 2014 operating budget for the Duluth Airport Authority. The budget includes an increase of \$450,000 for operations related to additional expenses of the new terminal including personnel and utilities. There is also \$4.1 million included for the airport's share of the \$10.9 million parking ramp construction project. The airport's budget was reviewed by the city council during a presentation by the authority at a finance committee meeting on November 25, 2013. This resolution adopts the budget as presented for the current year.

DULUTH AIRPORT AUTHORITY
BUDGET
December 31, 2013
(unaudited)

	<u>2013 YTD Budget</u>	<u>2014 YTD Budget</u>
OPERATING REVENUE		
TOWER BUILDING		
Space Rental	\$195,000	\$201,742
Utility Sales	<u>5,300</u>	<u>8,000</u>
Total	200,300	209,742
TERMINAL BUILDING		
Office/Space Rental/Loading Bridges	672,100	700,000
Conference Room Rental		2,000
Marketing Grant	77,000	66,509
Utility Sales	8,000	10,000
Terminal Utility Grants		2,500
Advertising Revenue		50,000
Sponsorship- Anchor Agreements		94,000
Restaurant/Gift Concessions	13,800	46,000
Vending Machines	1,200	5,000
Auto Rent Commission	400,000	425,000
Permits/Reimbursements/Misc	<u>45,000</u>	<u>33,600</u>
Total	1,217,100	1,434,609
PARKING LOT/ROADWAYS		
Parking Lot Receipts - Republic	800,000	825,000
Other Parking Revenues	<u>55,000</u>	<u>61,924</u>
Total	855,000	886,924
LAND, FIELD, RUNWAYS, ETC.		
Rent	339,000	340,000
Utility Sales	15,000	15,000
TSA Fees Law Enforcement	89,400	87,778
State Aid Duluth Airport M&O	168,600	168,569
Landing & Ramp Fees	365,000	295,731
Passenger Terminal Fees	34,700	35,000
Fuel Flowage Fee	125,000	96,000
Concession Fees	<u>35,000</u>	<u>8,500</u>
Total	1,171,700	1,046,578
SKY HARBOR		
Rent/Land&Field Rental/Tiedowns/Float Storage	34,500	36,130
Fuel/Misc Sales	100,000	80,000
State Aid Sky Harbor M&O	20,300	20,285
Concession Fees	<u>1,500</u>	<u>600</u>
Total	156,300	137,015
OTHER LAND & BUILDINGS		
Hangar Rental	145,000	200,989
Hangar-Utility Sales	<u>30,000</u>	<u>40,000</u>
Total	175,000	240,989
TOTAL OPERATING REVENUE	<u>3,775,400</u>	<u>3,955,857</u>
OPERATING EXPENSES		
Payroll - 22	1,052,000	1,277,740
Employee Taxes & Benefits	505,700	503,132
Utilities	500,000	626,950
Repairs, Maintenance, & Cleaning	400,000	492,000
Security	195,000	179,500
Operating Supplies	300,000	229,300
Insurance	141,900	184,841
Marketing/Advertising	110,000	115,514
Catalog ID: Budget Template		

DULUTH AIRPORT AUTHORITY
BUDGET
December 31, 2013
(unaudited)

	2013 YTD <u>Budget</u>	2014 YTD <u>Budget</u>
Professional Services	\$130,000	\$159,300
Customer Service		27,400
Administrative Fee - City	50,000	52,000
Travel/Training	25,000	31,000
Cost of Goods Sold	<u>85,000</u>	<u>69,000</u>
TOTAL OPERATING EXPENSES	3,494,600	3,947,677
OPERATING INCOME (LOSS)	<u>280,800</u>	<u>8,180</u>
NON-OPERATING REVENUE		
* Customer Facility Charge	210,000	215,000
* Passenger Facility Charge	600,000	610,000
Interest Income	15,000	25,000
Refunds/Reimbursements		<u>3,200,000</u>
TOTAL NON-OPERATING REVENUE	825,000	4,050,000
NON-OPERATING EXPENSES		
Interest Expense	9,054	70,000
City Loan Issuance Expense & Debt Service	<u>724,946</u>	<u>743,693</u>
TOTAL NON-OPERATING EXPENSES	734,000	813,693
DEPRECIATION	5,486,476	5,465,129
AMORTIZATION	96,293	132,687
NET OPEB OBLIGATION	<u>129,079</u>	<u>128,079</u>
NET INCOME (LOSS)	<u>(5,340,048)</u>	<u>(2,481,408)</u>

	FY 2013 Budget	FY 2014 Budget
CAPITAL PROJECT EXPENSES (Local Share)		
New Terminal Construction	307,200	-
Parking Ramp	-	4,116,172
Sky Harbor Environmental Assessment	25,000	-
Pavement Maintenance	15,000	-
Terminal Bid Pack 2D (Overhead Walkway)	-	79,000
Airport Master Plan - DLH	1,000	-
Storm Water Prevention Plan - DYT	-	-
Update Airport Layout Plan - DYT	3,300	-
DYT Apron Reconstruction - Design	-	2,500
DYT Apron Rehabilitation - Reconstruct	-	29,500
Sky Harbor Plow Truck	-	-
Airfield Pavement Tar Kettle	-	-
Airfield Sign Upgrade	-	-
Equipment - Floor Scrubber	3,600	-
Equipment - Operations Truck	-	-
Equipment - Replace 14/15/36 (W/Multi)	-	86,000
Obstruction Removal - DLH	1,500	-
Airfield Electrical Manhole Drainage	-	-
Air Traffic Tower Control Repairs HVAC	-	79,500
TOTAL CAPITAL EXPENSES	<u>356,600</u>	<u>4,392,672</u>
TOTAL REVENUES	4,600,400	8,005,857
TOTAL EXPENSES	<u>4,585,200</u>	<u>9,151,542</u>
NET INCREASE (DECREASE IN CASH)	<u>15,200</u>	<u>(1,145,685)</u>

CAPITAL PROJECTS

	Funding				
	Total Cost	Federal	State	Local-PFC/CFC	Local-Cash
Replace Equipment #14/#15/#36 (Replace w/multi-purpose)	\$ 860,000	\$ 774,000		\$ 86,000	
Air Traffic Control Tower Repairs HVAC	\$ 265,000		\$ 185,500		\$ 79,500
Parking Ramp	\$ 8,648,876	\$ 877,168	\$ 3,655,536	\$ 1,949,510	\$ 2,166,662
Terminal Bid Pack 2D (Overhead Walkway)	\$ 790,000	\$ 711,000		\$ 79,000	
DYT Reconstruct Portion of Apron- Design	\$ 25,000	\$ 22,500			\$ 2,500
DYT Rehabilitate Portion of Apron - Reconstruct	\$ 295,000	\$ 265,500			\$ 29,500
TOTAL CAPITAL PROJECT EXPENSES	\$ 10,883,876	\$ 2,650,168	\$ 3,841,036	\$ 2,114,510	\$ 2,278,162