



DATE: April 1, 2024
TO: Assembly Finance Committee
FROM: Robert Barr, Deputy City Manager
SUBJECT: FY25 Airport Budget

Consistency is necessary and required in financial reporting, budget preparation, review and approval processes. During the budget review process this year, we noted that the practice of the Airport Board is to approve most of the Airport operating budget before it goes to the Assembly, but not debt service costs or capital expenditures. Capital expenditures, and by implication debt service, are approved by the Airport Board as they occur. In discussion with the Airport Manager, this is a long-standing practice and the Airport Board regularly discusses capital and debt as part of their normal business.

Specifically, the Airport Board reviews and approves the portions of the budget which are applicable to setting rates. In FY24 and FY25, this means that roughly 4.2M and 2.5M of operating expenditures, respectively, have not been approved as part of the same budget process the Assembly is used to. The Airport Board reviews and approves each capital expenditure when it occurs.

I am making the Assembly aware of this practice as part of the FY25 budget process and have asked the Airport Board to approve the entire budget annually, in the same way the Assembly does, going forward. Per the Airport Manager, this change will not impact rates or rate setting.

Airport Board has approved:

EXPENSES						
	Actuals	Actuals	Amended	Projected ¹	Proposed	Proposed
	2022	2023	2024	2024	2025	2026
Personnel	\$3,171,223	\$3,361,122	\$3,573,400	\$3,641,800	\$3,909,700	\$3,963,800
Commodities & Services	\$5,146,141	\$6,504,175	\$6,088,100	\$6,311,900	\$6,630,800	\$6,733,700
Travel & Training	\$37,526	\$22,980	\$49,600	\$49,600	\$66,200	\$58,300
Total	\$8,354,890	\$9,888,277	\$9,711,100	\$10,003,300	\$10,606,700	\$10,755,800

¹ FY24 Expenses will require Supplemental Spending Authority.

The Assembly is being asked to approve:

	FY23 Actuals	FY24		FY25	FY26
		Amended Budget	Projected Actuals	Proposed Budget	Proposed Budget
EXPENDITURES					
Personnel Services	\$ 3,361,100	3,573,400	3,641,800	3,895,500	3,949,600
Commodities and Services	6,469,400	6,467,800	7,397,300	6,650,800	6,734,800
Capital Outlay	329,700	211,300	230,500	9,000	20,000
Debt Service	2,333,900	2,434,100	2,434,100	2,505,100	2,583,400
Support to:					
Debt Service	660,300	657,100	657,100	-	-
Capital Projects	-	600,000	600,000	-	-
Total Expenditures	13,154,400	13,943,700	14,960,800	13,060,400	13,287,800