

AVIATION BOARD BACKGROUND LETTER

Aviation Board Meeting Date: August 22, 2022

To: Chair Richmond and Aviation Board Members

Cc: Mitch Reynolds, Mayor

From: Ian Turner, Airport Director

Subject: 22-1071 – 2023 Airport Operating Budget

Summary:

Approval of the 2023 Airport Operating Budget provides for the operation and maintenance of the airport during the fiscal year.

Previous Action:

This is an annual action.

Background:

This is the annual budget of revenues and expenditures for the Airport Operating Fund (Fund 600). This budget is based on the Airline Schedule of Fees and Airport Schedule of Fees, presented immediately prior to this action. Any changes to those items will result in changes to this item. Projected revenue and expenses have been developed utilizing lease rates, historical data, current trends, and other information available to airport staff.

The largest single implication to the 2023 Airport Operating Budget is the projected reduction in the number of flights by our airline partners. At this time, the anticipated flight schedule is three flights per day for calendar year 2023, down from the six that were anticipated in calendar year 2022. This results in a cascading effect on our revenue as the total number of available seats in our market is less than our enplanement numbers for recent years. The outcome is lower parking revenue, car rental revenue, landing fees, fuel flowage fees, and restaurant commission. Overall, the currently projected revenue for 2022 to budgeted revenue in 2023 is significantly reduced while our expenses have increased. The net result is a projected loss of \$308,000, before grant revenue. Grant funding remains from our Coronavirus response grants which will be used to balance the budget for the 2023 Airport Operating Budget. This is reflected on the first line of the budget (Account 6006010 420100 – GRANT FED).



Financial Implications:

Budgeted revenues are \$2,920,705 and budgeted expenses are \$2,920,619. This results in a budgeted net income for 2023 of \$86.00 that includes the use of \$308,000 of grant revenue.

Stakeholder Process:

If approved by the Aviation Board, the 2023 Airport Operating Budget will be submitted with the City of La Crosse 2023 Operating Budget to the La Crosse Common Council and its applicable committees. As a matter of routine, this budget may be adjusted as it progresses through this process.

Alternatives:

The 2023 Airport Operating Budget could be:

1. Adopted, with amendments
2. Denied, with direction to staff for specific changes

Staff Recommendation:

It is the recommendation of staff to approve this item.

Attachments:

2023 Airport Operating Budget

