

**AVIATION BOARD BACKGROUND LETTER**

**Aviation Board Meeting Date:** August 17<sup>th</sup>, 2020

**To:** Chair Richmond and Aviation Board Members

**Cc:** Tim Kabat, Mayor

**From:** Ian Turner, Airport Director

**Subject:** 20-1120 – 2021 Airport Operating Budget

**Summary:**

Approval of the 2021 Airport Operating Budget provides for the operation and maintenance of the airport on an annual basis.

**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. In addition, projected revenues and expenses utilizing lease rates, historical data, trends, and other pertinent information are used to develop a balanced budget in order to maintain the Airport as a self-supporting enterprise fund of the City of La Crosse. Due to the impacts of COVID-19, the three largest revenue sources of parking, car rental, and landing fees have been reduced significantly. With no good gauge of what to expect in 2021, this budget reflects a conservative approach on the revenue side while considering what fluctuating expenses have on the rates our tenants pay. The overall expense amount is \$2,600,864, down \$181,990 from 2019 or 6.5%. Revenue for 2021 is \$2,046,225, down \$757,620 or 27% from 2020\* budgeted amounts. Budget numbers are anticipated at this point due to the lack of personnel and benefit amounts still under development at the time this agenda was created.

Contrary to past budgets, this budget proposal is not balanced and projects a loss of \$554,639. This is not normal for the airport. However, the remaining funds from the CARES Act Grant will cover this loss and insulates business partners from significant increases to rental rates that they would not be able to absorb at this time. These seems the prudent approach.

\* It is important to note that 2020 budget numbers will not be realized due to the current economic situation.



**Financial Implications:**

Revenues are \$2,046,225 and Expenses are \$2,600,864 for a net position on the year of a negative (\$554,639).

**Stakeholder Process:**

If approved the 2021 Airport Operating Budget will be placed into the 2021 City of La Crosse budget for approval by the Common Council and its applicable committees.

**Staff Recommendation:**

It is recommended to refer the item to the September Aviation Board meeting and directing the Airport Director to adjust for personnel and benefit costs once provided.

**Alternatives:**

This item could be:

- 1) Approved as presented.
- 2) Approved with amendments.
- 3) Denied with direction for specific changes and brought back to the Aviation Board

**Attachments:**

2021 Airport Operating Budget

