



City Council Workshop May 18, 2017 Agenda

5:30 P.M.

A. Budget Reviews

- Auburn Lewiston Airport
- Fire Department
- City Clerk
- City Manager
- Facilities
- Finance
- Health & Social Services
- Human Resources
- Information Technology
- CIP (Capital Improvement Plan)

A stylized graphic featuring a blue silhouette of an airplane flying upwards and to the right, with a large blue number '4' positioned below it. The graphic is accented with red and white curved lines that sweep across the scene.

Auburn Lewiston Airport Operation Budget

for Fiscal Year 2017-2018



Operation Budget

for Fiscal Year 2017-2018

The airport provides **\$24,627,000** annually in economic benefit to the twin cities

Jobs

- On the airport and in the Air Park
- Provides 311 jobs with an annual payroll of \$8,152,800

Travelers

- People who have a destination but not crewmembers or owners (1450 enplanements annually)
- People who bring development and new business

Tourism Gateway

- People who fly somewhere to see the sights (Private Pilots)
- Destinations like Freeport or Sugarloaf staying locally overnight

Freight

- 300,000 pounds annually scheduled
- Does not include unscheduled flights

Location

- Good place for an intermodal connection
- Within 1 mile of turnpike and rail upload



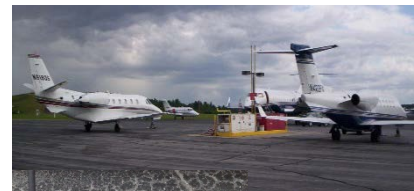
Operation Budget for Fiscal Year 2017-2018

The airport provides this economic benefit through two different rubrics

Airport Operations



Flight Continuation Service



servicing the flying public





Operation Budget for Fiscal Year 2017-2018

Our Vision and Mission Statement

Vision – A regional airport that demonstrates the culture and character of the Lewiston-Auburn community to the people that use its services made available with willingness of effort and respect of person



Mission – to provide a safe, economical transportation interchange for people and freight thereby enhancing the prosperity of the region



Operation Budget for Fiscal Year 2017-2018

Budget Drivers

Airport Operations

- Increased maintenance expenses due to previously deferred maintenance. In some cases, this has compromised safety because of failing condition. (\$32,600)
- Missed opportunity due to failed or inadequate infrastructure
 - Airport landside parking is undersized and out of standard for transportation facilities. It does not meet TSA regulation requirements for airports.
 - Unable to service transient international aircraft because of lack of facilities to house customs office since Intermodal Center ceased operation.
 - Airport closed or restricted because of inadequate deice/anti-ice materials supply (closed 168 hours this fiscal year so far)
- Promotions and merit raises for employees in absence of COLA (\$11,828)
- 23% increase in health care benefit cost for employees (\$18,568)
- Increased competition from airports with newly developed infrastructures
 - Oxford County Regional Airport is returning to service
 - Brunswick Executive Airport is near final conversion to civilian airport
 - Augusta State Airport has new hangar construction on field
 - Twitchell's Airport in Turner has new hangar construction



Operation Budget for Fiscal Year 2017-2018

Budget Drivers

Airport Operations

- Increased maintenance expenses due to previously **deferred maintenance**. In some cases, this has compromised safety because of failing condition. (\$32,600)

Repair hangar doors (2) and rigging to open/close (\$10,000)



Runway Safety Area maintenance (\$7,000)



Roof repair on FBO Hangar and Equipment Building (\$11,800)



Airport vehicles with cracked exhaust manifolds, treads nearly below allowable limits, needing tune-ups causing more fuel usage (\$3,800)



Operation Budget for Fiscal Year 2017-2018

Budget Drivers

Flight Continuation Service

- Fuel price competition with reduced price point in the market; **noncompetitive prices means no customers thus no sales**
- Missed service opportunity due to obsolete ground support equipment failure
 - Ground Power Unit will not start or keep running
 - Aircraft preheater leaks gasoline and is unusable**
 - Ground PW radio fails preventing call for assistance**
- 38% increase in health care benefit cost for employees (\$25,058)
- Reducing utility costs through updates in infrastructure
 - LED conversion of air field lighting; pay back is 2 years in electricity cost and light bulb replacement (\$9,000 annually)
 - Obtaining electric vehicles to lower fuel usage (\$3,500)
- Opportunity for increased aircraft maintenance revenues with upgraded certifications and required support (\$5,700)

** Creates a safety issue and prevents further actions. Opportunity to hurt someone or damage aircraft or airport equipment is very high.



Operation Budget

for Fiscal Year 2017-2018

Revenues





Operation Budget for Fiscal Year 2017-2018

Expenses





Operation Budget for Fiscal Year 2017-2018

Capital Improvement





Operation Budget for Fiscal Year 2017-2018

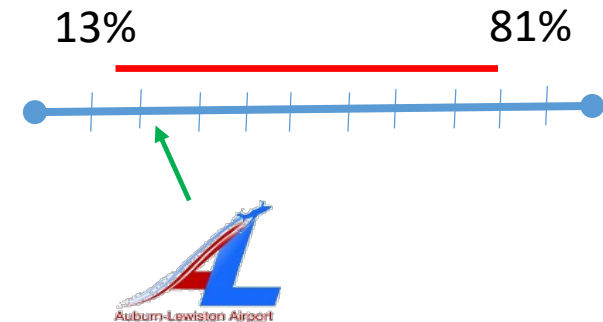
Subsidy or Investment?

Subsidization or Investment in airports is commonplace

The FY18 operating budget subsidy of \$167,800 per City represents 11% of the total proposed fiscal year operating budget of \$1,496,008.



In Maine, the amount of local investment ranges from 13% to 81% annually



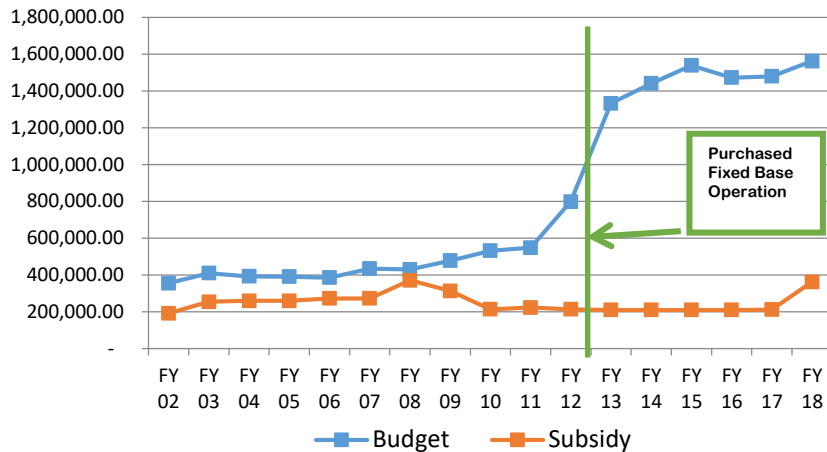
The combined 22% operating budget subsidy is still among the lowest of the public-use general aviation airports in Maine.



Operation Budget for Fiscal Year 2017-2018

Subsidy or Investment?

Budget Total to Subsidy



The subsidy investment needed in the operating budget as well as support for capital investment, creates new money in the community.



An investment of \$167,800 per City is justified as it produces over 145% return on investment.