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)
Auburn Lewiston Airport Operation Budget for Fiscal Year 2017-2018
The airport provides **$24,627,000 annually** in economic benefit to the twin cities

<table>
<thead>
<tr>
<th>Jobs</th>
<th>On the airport and in the Air Park</th>
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<tr>
<td></td>
<td>Provides 311 jobs with an annual payroll of $8,152,800</td>
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<table>
<thead>
<tr>
<th>Travelers</th>
<th>People who have a destination but not crewmembers or owners</th>
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<tr>
<td></td>
<td>(1450 enplanements annually)</td>
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<tr>
<td></td>
<td>People who bring development and new business</td>
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<table>
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<tr>
<th>Tourism Gateway</th>
<th>People who fly somewhere to see the sights (Private Pilots)</th>
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<tr>
<td></td>
<td>Destinations like Freeport or Sugarloaf staying locally overnight</td>
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<tr>
<th>Freight</th>
<th>300,000 pounds annually scheduled</th>
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<tr>
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<td>Does not include unscheduled flights</td>
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<tr>
<th>Location</th>
<th>Good place for an intermodal connection</th>
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<tr>
<td></td>
<td>Within 1 mile of turnpike and rail upload</td>
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1. Alliance for Aviation Across America (February 2017) available at www.aviationacrossamerica.org/economic-impact/
The airport provides this economic benefit through two different rubrics:

- **Airport Operations**: maintaining the airfield
- **Flight Continuation Service**: servicing the flying public
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)

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

- Runway Safety Area maintenance ($7,000)

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

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.