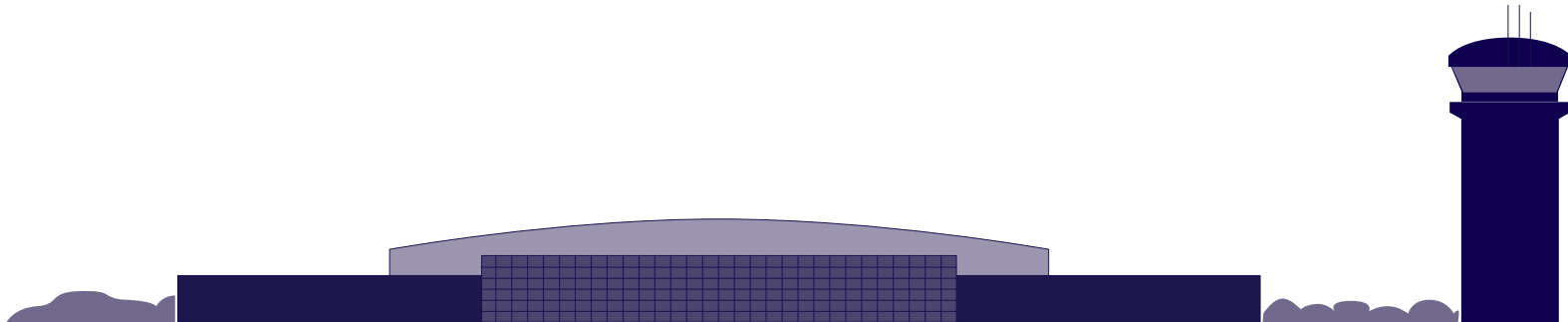


Barnstable Municipal Airport

FY2021 Budget

Town Council Presentation

June 4, 2020



Town Council Appropriation Order 2020-145

Airport Enterprise Fund	Actual	Projected	Approved	Proposed	Change	Percent
Source of Funding	FY 2019	FY 2020	FY 2020	FY 2021	FY20 - 21	Change
Taxes	\$0	\$0	\$0	\$0	\$0	0.00%
Intergovernmental Aid	\$0	\$9,360	\$0	\$0	\$0	#DIV/0!
Fines & Penalties	-	-	-	-	-	0.00%
Fees, Licenses, Permits	687,219	2,100,000	1,710,018	1,725,352	15,334	0.90%
Charges for Services	5,845,809	4,950,000	5,940,222	4,662,758	(1,277,464)	-21.51%
Interest and Other	538,170	451,675	391,003	453,517	62,514	15.99%
Special Revenue Funds	-	-	-	-	-	0.00%
Enterprise Fund Reimbursements	-	-	-	-	-	0.00%
Transfers In	-	-	-	-	-	0.00%
Total Operating Source of Funding	\$7,071,198	\$7,511,035	\$8,041,243	\$6,841,627	(\$1,199,616)	-14.92%

Expense Category						
Personnel	\$1,730,817	\$1,785,000	\$1,810,007	\$1,799,645	(\$10,362)	-0.57%
Benefits	511,549	560,000	587,401	560,074	(27,327)	-4.65%
Operating Expenses	3,875,259	4,500,000	4,974,758	4,012,690	(962,068)	-19.34%
Capital Outlay	12,223	140,000	225,200	47,500	(177,700)	-78.91%
Debt Service	187,616	229,858	229,858	228,450	(1,408)	-0.61%
Transfers Out	199,297	214,019	214,019	193,268	(20,751)	-9.70%
Total Operating Budget	\$6,516,761	\$7,428,877	\$8,041,243	\$6,841,627	(\$1,199,616)	-14.92%



FY2021 Budget Summary

→ Pre-COVID19 Projections = **\$7,964,223**

→ Post-COVID19 Projections = **\$6,841,627**

→ A **-\$1,122,596 reduction**

→ Revenue reductions include:

➤ All airline revenues = 30% overall decline

- Industry shows an initial 90-100% decline
- Currently moving into an 80% decline over past few weeks.
- Slow return in the first quarter of 2021.

➤ Corporate aviation revenues = 20% decline

➤ Land/facility leases = declines or termination of leases

➤ Parking revenue = 30% decline (tied closely to aviation)

➤ Car rentals = 20% decline (still a lot of off-airport business)



FY2021 Budget Summary (Cont.)

➔ Expense reductions include:

- Reduced salaries = standard 2% Step 0% COLA
- Reduced seasonal = 3 rather than 5
- Reduced repair & maintenance funds by 5% (some were already reduced below 2020 #s)
- Reduced elective training/conference funding
- Reduced some on-call contracts & other low priority items
- Significant reduction in capital outlay



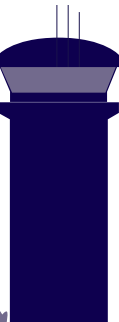
Areas of Assistance

- Coronavirus Aid, Relief, and Economic Security (CARES) Act - for Aviation
 - Federal funding based on enplanements, reserves and debt service formula = **\$17.9M to HYA**
- Funding is allowed to cover operating expenditures such as utilities, payroll, and other operating expenses not normally covered by FAA plus development and equipment projects.
- Funding reimbursed based on incurred costs.
- HYA already in recovery mode = slower recovery
Post-COVID = Need funding over a 2-4 year period.



CARE Act Funding Options

- Funding is allowed to cover operating expenditures such as utilities, payroll, and other operating expenses not normally covered by FAA plus development and equipment projects.
- Funding reimbursed based on incurred costs
- Can use as early as FY2020 (January 20, 2020)
- HYA needs to be prepared for a slower recovery = may need funding over a 2-4 year period.



Proposed CARE Funding HYA Use Categories

- ➔ Management suggests grouping CARES Act Funding into 4 priority categories:
 - **Tier 1 - Operating Budget Priorities** - used to cover recurring debt
 - **Tier 2 - Deferred Operating Priorities** - used for projects deferred during COVID-19 crisis FY2020 and FY2021 and resiliency project implementation
 - **Tier 3 - Safety & Capital Project Priorities** - used for safety & local share capital match
 - **Tier 4 - Business Plan Project Priorities** - used for business plan development



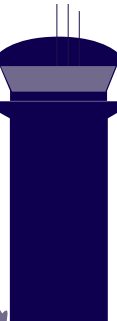
Implement Gates and Thresholds

→ Expense Gates Established

- Based on developing caps on controllable expenses such as those “other expenses” not tied to salaries, utilities, etc...
- Gates implemented via encumbered funds
 - Set level of encumbered funds not to be increased/exceeded within a specified timeframe (monthly or quarterly)
 - Set level based on a % lower than approved budget

→ Revenue Thresholds Established

- Based case (FY2019) revenue for comparative analysis
- Compare FY2021 to FY2019 - monitor growth or decline
- Develop “what-if” based set of scenarios to move into the next tier



Thank You

✈️ Any questions?

