



Lehigh Valley International Airport  
Queen City Airport  
Braden Airpark

**2023**

# **OPERATING AND CAPITAL BUDGETS**

**APPROVED NOVEMBER 29, 2022**



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## STRATEGIC FRAMEWORK

**Vision:** To be the best regional airport system in North America.

**Mission:** As a customer-centric organization, we will operate our facilities safely and efficiently; grow and develop in an innovative, agile and competitive manner; and work closely with our stakeholders and partners to make our region the community of choice for business and residents.

Strategic Focus Areas	Core Values	Core Competencies
Air Service	Integrity	Agility
Financial Sustainability	Respect	Automation
Customer Experience	Trust	Collaboration
Facilities, Equipment and Infrastructure	Teamwork	Diversification
Operational Safety and Security	Service	Innovation
Organization Governance, Culture and People	Humility	Communications

**Vision** – The desired role or position of the organization at some future point.

**Mission** – The mission of an organization describes its purpose or reason for existence.

**Strategic Focus Areas** – Fundamental elements or program areas vital for achieving long-term vision.

**Core Values** – Framework for day-to-day decision making / Guides our actions and behaviors.

**Core Competencies** – Proficiencies that enable an organization to deliver unique value to customers and stakeholders.

**Performance Measures** – Criteria used for the measurement of the results (outcomes) and efficiency of processes, services or programs.

## Consultant's Insight

Since 2013 Unison Consulting (Unison) has assisted the Lehigh-Northampton Airport Authority (LNAA) with the preparation of the airline rates and charges and other financial services as needed to maintain the financial health for the Lehigh Valley Airport System (the Airport).

As a result of the COVID-19 Pandemic, airline activity at the Airport declined sharply in 2020 and 2021. Activity levels at the Airport continue to recover and the 2023 Budget estimates approximately 456,000 enplanements. This enplanement level is 10.1 percent higher than the 2022 Budget, however, remains 0.5 percent lower than the 2019 pre-Pandemic enplanement level. Landed weight is projected to be 1.1 million in the 2023 Budget, which represents a 3.3 percent increase from the 2022 budgeted landed weight. However, the 2023 Budgeted landed weight continues to be lower than 2019 landed weight by 2.2 percent. As a result of the increased activity, Airport revenues are projected to increase by 11.4 percent in 2023 compared to the 2022 Budget, consisting of increases in aviation services revenues of 37.5 percent, aviation leased revenues of 14.5, parking revenues of 12.7 percent, and rental car revenues of 12.2 percent.

O&M expenses are budgeted to increase by 12.4 percent in 2023, primarily due to the anticipated increases in personnel costs and contract services. The increases in personnel costs are driven by the effects of a tighter labor market leading to higher wages and the rising costs of employee benefits. These expenses are expected to increase for three reasons:

- 1.) Increases in wages are necessary to continue to attract and retain needed workforce talent.
- 2.) Insurers have raised health-care premiums more than double the previous year's increase.
- 3.) The Airport Authority has converted several part-time positions into full-time positions which requires a more expensive benefit package.

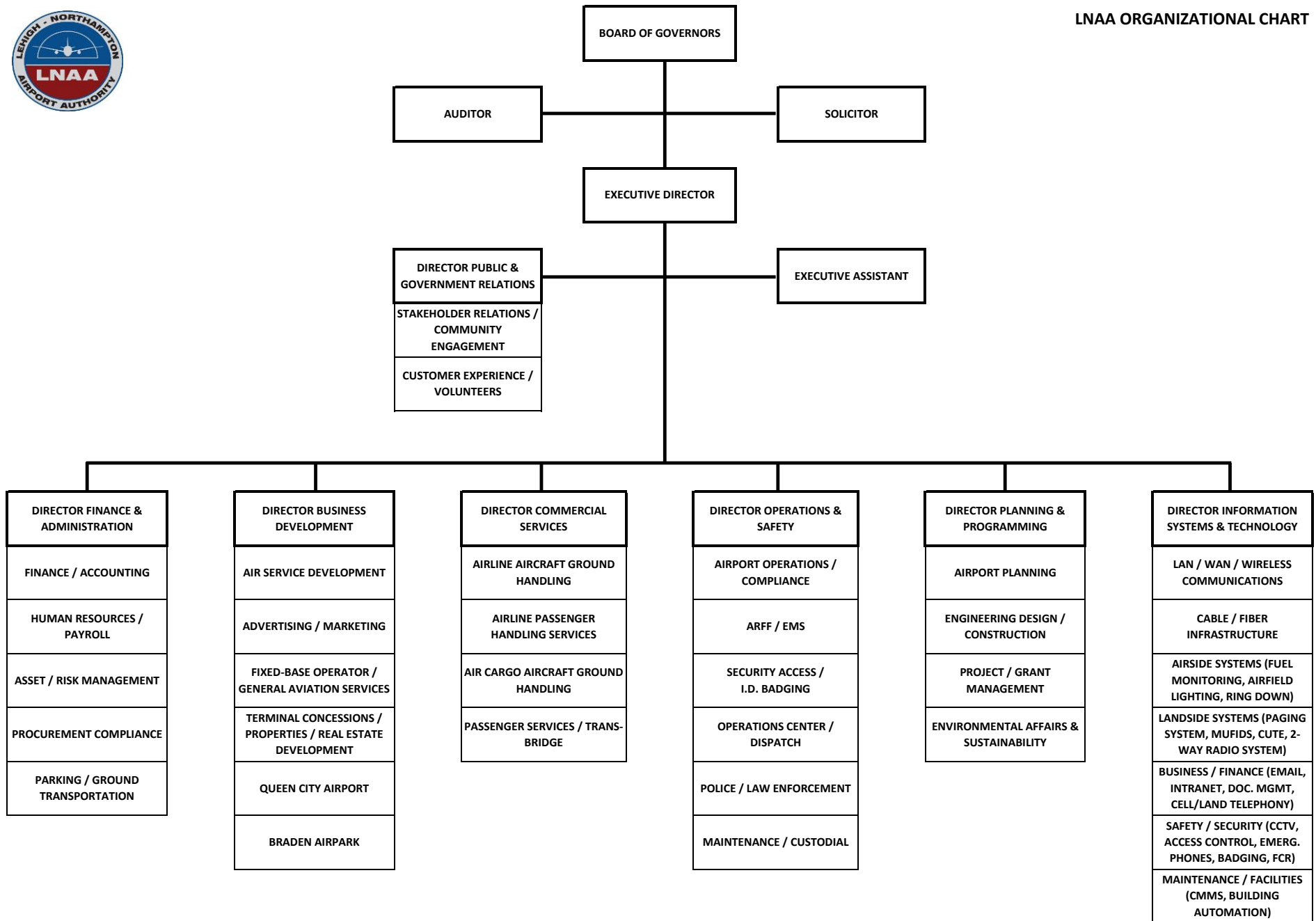
Just as salary and wage requirements are increasing for LNAA as a result of worker shortages in a challenging labor market, contract services expenses are also increasing due to increased personnel costs incurred by LNAA's outside vendors which are ultimately passed on to the Airport Authority. Finally, the 2023 Budget includes approximately \$1.3 million of one-time costs for demolition, events, and legal fees.

In May 2020, the Federal Aviation Administration (FAA) provided additional assistance to the aviation industry through the enactment of the CARES Act totaling \$10 billion, which provided immediate relief to U.S. airports. Through the CARES Act, the LNAA was awarded an initial grant totaling \$6.2 million and later secured an additional \$1.5 million through other aspects of the CARES Act and pass-through support from Lehigh and Northampton Counties. In December 2020, the CRRSA Act was signed into law to provide \$2 billion in funds to be used as economic relief for airports. The Airport Authority was granted approximately \$3.5 million in CRRSA funds. Finally, in March of 2021, the ARPA Act was signed into law and it provided \$8 billion in economic relief funds for Airports. The LNAA was granted approximately \$6.4 million in ARPA funds. Airport management has evaluated the various eligible expenses and identified options to address the revenue loss in both airline and non-airline activities. Airport Management continues to evaluate the best use of the federal funds during the current economic turbulence facing the aviation industry. In the 2023 Budget, the Authority is applying \$4.1 million of federal relief funds to offset some of the increases in O&M expenses. The Authority will have approximately \$3.0 million of federal relief funds remaining to be used in 2024 and 2025.

As a result of the factors outlined above, the resulting CPE is budgeted to decrease by 5.4 percent to \$19.23 in 2023 when compared to the 2022 Budget. This decrease is driven by an increase in enplaned passengers and \$3.6 million of federal relief funds being applied to the airline cost centers.



**LNAA ORGANIZATIONAL CHART**



**Lehigh Northampton Airport Authority**  
**Statement of Income -- LVI, Queen City & Braden Airports**  
**Budget 2023**

	2023 Budget A	2022 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2019 Actual K	Variance to Budget L	Variance % to Budget M(L/K)
<b>LVIA OPERATING REVENUES:</b>							
Airfield	\$6,430,882	\$6,409,660	\$21,222	0.33%	\$5,632,967	\$797,915	14.17%
Terminal	9,289,812	8,185,344	1,104,468	13.49%	6,337,704	2,952,108	46.58%
Parking and Roadways	6,069,556	5,385,494	684,062	12.70%	5,782,916	286,640	4.96%
Aviation Leased Areas	3,939,972	3,440,023	499,949	14.53%	2,837,299	1,102,673	38.86%
Non-Aviation Leased Areas	1,082,738	684,388	398,350	58.21%	1,056,208	26,530	2.51%
Aviation Services	9,638,015	7,058,904	2,579,111	36.54%	11,132,707	(1,494,692)	(13.43%)
Advertising	477,513	302,357	175,156	57.93%	291,527	185,986	63.80%
Cares Act Reimbursements	4,029,850	3,768,737	261,113	6.93%	0	4,029,850	0.00%
<b>Total Revenues</b>	<b>\$40,958,338</b>	<b>\$35,234,907</b>	<b>\$5,723,431</b>	<b>16.24%</b>	<b>\$33,071,328</b>	<b>\$7,887,010</b>	<b>23.85%</b>
<b>COST OF SALES</b>	<b>\$6,961,123</b>	<b>\$4,987,495</b>	<b>\$1,973,628</b>	<b>39.57%</b>	<b>\$3,443,487</b>	<b>\$3,517,636</b>	<b>102.15%</b>
<b>Net Revenue</b>	<b>\$33,997,215</b>	<b>\$30,247,412</b>	<b>\$3,749,803</b>	<b>12.40%</b>	<b>\$29,627,841</b>	<b>\$4,369,374</b>	<b>14.75%</b>
<b>LVIA OPERATING EXPENSES:</b>							
Airfield	\$5,923,435	\$5,567,279	\$356,156	6.40%	\$4,371,443	\$1,551,992	35.50%
Terminal	7,820,314	6,336,110	1,484,204	23.42%	4,875,936	2,944,378	60.39%
Parking and Roadways	1,551,503	1,588,380	(36,877)	(2.32%)	1,445,013	106,490	7.37%
Aviation Leased Areas	675,284	1,287,918	(612,634)	(47.57%)	912,467	(237,183)	(25.99%)
Non-Aviation Leased Areas	435,626	497,815	(62,189)	(12.49%)	402,536	33,090	8.22%
Aviation Services	3,029,422	1,679,827	1,349,595	80.34%	6,231,817	(3,202,395)	(51.39%)
Advertising	108,985	100,758	8,227	8.17%	101,531	7,454	7.34%
Administration	4,888,610	4,147,739	740,871	17.86%	3,066,496	1,822,114	59.42%
<b>Total Expenses</b>	<b>\$24,433,179</b>	<b>\$21,205,826</b>	<b>\$3,227,353</b>	<b>15.22%</b>	<b>\$21,407,239</b>	<b>\$3,025,940</b>	<b>14.14%</b>
<b>LVIA Income (Loss) From Operations</b>	<b>\$9,613,420</b>	<b>\$9,041,586</b>	<b>\$571,834</b>	<b>6.32%</b>	<b>\$8,220,602</b>	<b>\$1,392,818</b>	<b>16.94%</b>
<b>OTHER AIRPORTS</b>							
Queen City Income (Loss)	(\$385,693)	-\$34,030	(\$351,663)	1033.39%	\$163,034	(\$548,727)	(336.57%)
Queen City Cares Act Reimbursement	\$59,000	\$0	\$59,000	0.00%	\$0	\$59,000	0.00%
Braden Airpark Income (Loss)	(201,747)	(228,638)	26,891	(11.76%)	(172,509)	(29,238)	16.95%
Events (Loss)	(44,000)	(21,500)	(22,500)	104.65%	(34,319)	(9,681)	28.21%
<b>Other Airports Inc (Loss) From Operations</b>	<b>(\$572,440)</b>	<b>(\$284,168)</b>	<b>(\$288,272)</b>	<b>101.44%</b>	<b>(\$43,794)</b>	<b>(\$528,646)</b>	<b>1207.12%</b>
<b>All Airports Inc (Loss) From Operations</b>	<b>\$8,991,596</b>	<b>\$8,757,418</b>	<b>\$234,178</b>	<b>2.67%</b>	<b>\$8,176,808</b>	<b>\$814,788</b>	<b>9.96%</b>
<b>NON OPERATING INCOME (EXPENSE):</b>							
Net Interest	\$36,000	\$12,000	\$24,000	200.00%	\$82,481	(\$46,481)	(56.35%)
Miscellaneous	3,000	6,000	(3,000)	(50.00%)	4,254,350	(4,251,350)	(99.93%)
<b>Total Non Operating Income (Expense)</b>	<b>\$39,000</b>	<b>\$18,000</b>	<b>\$21,000</b>	<b>116.67%</b>	<b>\$4,336,831</b>	<b>(\$4,297,831)</b>	<b>(99.10%)</b>
<b>Net Income (Loss) Before Depreciation</b>	<b>\$9,030,596</b>	<b>\$8,775,418</b>	<b>\$255,178</b>	<b>2.91%</b>	<b>\$8,227,683</b>	<b>\$802,913</b>	<b>9.76%</b>
Depreciation (Net of Grants)	\$6,897,612	\$6,767,332	\$130,280	1.93%	\$4,963,562	\$1,934,050	38.96%
<b>LNA Net Income (Loss)</b>	<b>\$2,132,984</b>	<b>\$2,008,086</b>	<b>\$124,898</b>	<b>6.22%</b>	<b>\$3,264,121</b>	<b>(\$1,131,137)</b>	<b>(34.65%)</b>

# LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

## Lehigh Valley International Airport

### 2023 BUDGET SUMMARY

The COVID-19 global pandemic depressed overall airline passenger traffic to a 97 percent drop nationwide in April 2020 versus April 2019. Since April 2020, passenger traffic has risen, but the rate of recovery has varied by airport. Regional airports continue to face challenges in achieving pre-pandemic traffic levels due to the ongoing pilot shortage across the aviation industry. The Lehigh-Northampton Airport Authority (LNAA) returned to 2019 operational levels in 2022 as a result of the opening of an Allegiant crew base (2020) and previous cargo expansion. LNAA's peer airports are still significantly below 2019's traffic levels.

With the quicker resurgence of LNAA traffic, the administration reevaluated an original plan of using CARES funding to offset revenue shortages, but instead will use the remaining CARES funding to offset the dramatic inflationary impact on costs. For example, cost of goods such as fuel is up 78%, utility costs are up 44%, and personnel costs are up 14% versus the 2022 budget.

LNAA's cores values and competencies have allowed the airport to be able to continually adapt to a changing environment. The arrival of a new year (2023) has Airport Authority management and the Board of Governors more determined to become "the best regional airport system in North America."

The 2023 Budgeted Net Income before depreciation (including \$4,029,850 of CARES Act Reimbursements) is \$9,030,596 which is \$255,178 or 3% higher than the 2022 Budget. Infrastructure improvements such as the completion of Terminal Connector and Runway rehabilitation projects have added \$130,280 in depreciation versus the 2022 Budget. Our debt service ratio of 1.64 exceeds our required ratio of 1.25.

# **2023 OPERATING REVENUE BUDGET**

Total 2023 Operating Revenue Budget (including Braden Airpark & Queen City, but excluding CARES Revenue) of \$38,229,841 is \$5,503,401 or 17% higher than the 2022 Budget. The 2023 Airline Rates and Charges are included in the budget packet. Airline Rates and Charges revenue varies slightly from the Airport Authority's budgeted revenue due to the differences in cost center rollups. Details follow for each cost center.

## **AIRFIELD**

### **LANDING FEES**

The calculated 2023 landing fee is \$4.83, which is \$.01 higher than the 2022 budgeted landing fee. Landed weights include daily commercial passenger and air cargo flights, as well as commercial passenger bus routes. The calculation of our landing fee is included in the budget package under Appendix A, Table 3 page 39.

### **APRON PARKING FEES**

The apron parking requirement for 2023 is \$.69 per thousand pounds of landed weight for passenger carriers - which is \$.01 higher than the 2022 budgeted apron fee. The air cargo carrier's apron rate is \$1.04 per thousand pounds of landed weight - which is \$.02 less than the 2022 budgeted apron fee. Apron fees are determined based on a percentage of airfield direct and indirect operating expenses. The calculation of our apron fee is included in the budget packet under Appendix A, Table 4 on page 40.

## **TERMINAL**

### **AIRLINE RENT**

The 2023 main terminal rate is increasing to \$105.91/sq.ft. which is a \$9.57 increase from than the 2022 budgeted rate. The Wilfred M. "Wiley" Post Departure Concourse square footage rate is increasing to \$38.02 - which is \$9.90 higher than the 2022 budgeted rate. Terminal rates include usage of the new Terminal Connector for the second half of 2023. The calculations of the terminal rental rate are included in the budget packet under Appendix A, Table 5 and Table 6 on pages 41 and 42.

### **CONCESSION FEES**

Rental car and restaurant/newsstand concession fee revenue reflects a 20% increase to the 2022 Budget. The increase is based on higher passenger enplanements, and an increase in rental car rates.



## **PARKING AND ROADWAYS**

### **PARKING LOT FEES**

The 2023 parking revenue reflects a 12.7% increase to the 2022 Budget. The additional revenue is based on a 10% increase in enplanements vs. the 2022 budget, and a 5% parking rate increase effective July 1, 2023. Also included are the latest estimates for Transportation Network Company (TNC) drop off and pick-up fees.

## **AVIATION AND NON-AVIATION LEASED AREAS**

### **HANGAR RENTS, BUILDINGS, LAND RENTS**

Overall aviation and building rents were budgeted 22% higher than the 2022 Budget. The higher revenue reflects contractual increases and greater occupancy at Hangar 8, Hangar 10, and Hangar 11, along with new Land Rental agreements.

## **AVIATION SERVICES GROUP**

### **FUEL SALES**

The gross fuel sales reflect an increase in activity and the inflationary impact on cost of fuel for 2023; the budget is 31% higher than the 2022 Budget. The increase in activity is consistent with the second half activity in 2022.

### **GROUND HANDLING AND OTHER**

Passenger ground handling revenue reflects an increase of 30% from the 2022 Budget due to the projected increase in passenger carrier flights and an increase to the ground handling rate.

## **ADVERTISING**

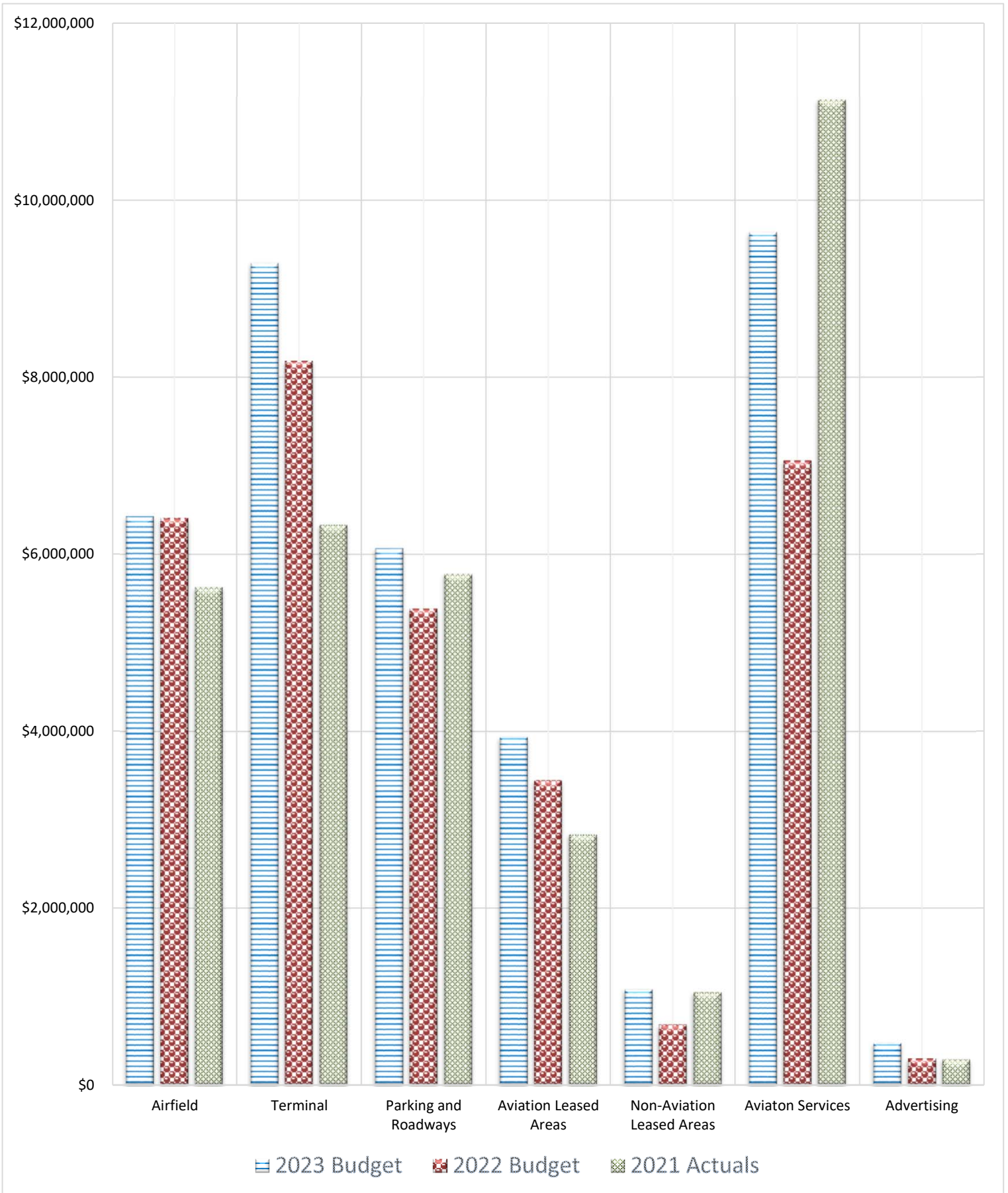
### **ADVERTISING**

The 2023 Advertising revenue reflects an increase of 58% vs. the 2022 Budget. The increase in passengers coupled with the excitement of the new terminal connector has made advertising more attractive at the Airport. The Airport Authority continues to look for new and innovative ways to increase the advertising opportunities.

**Lehigh Northampton Airport Authority**  
**Statement of Operating Revenues - LVIA**  
**Budget 2023**

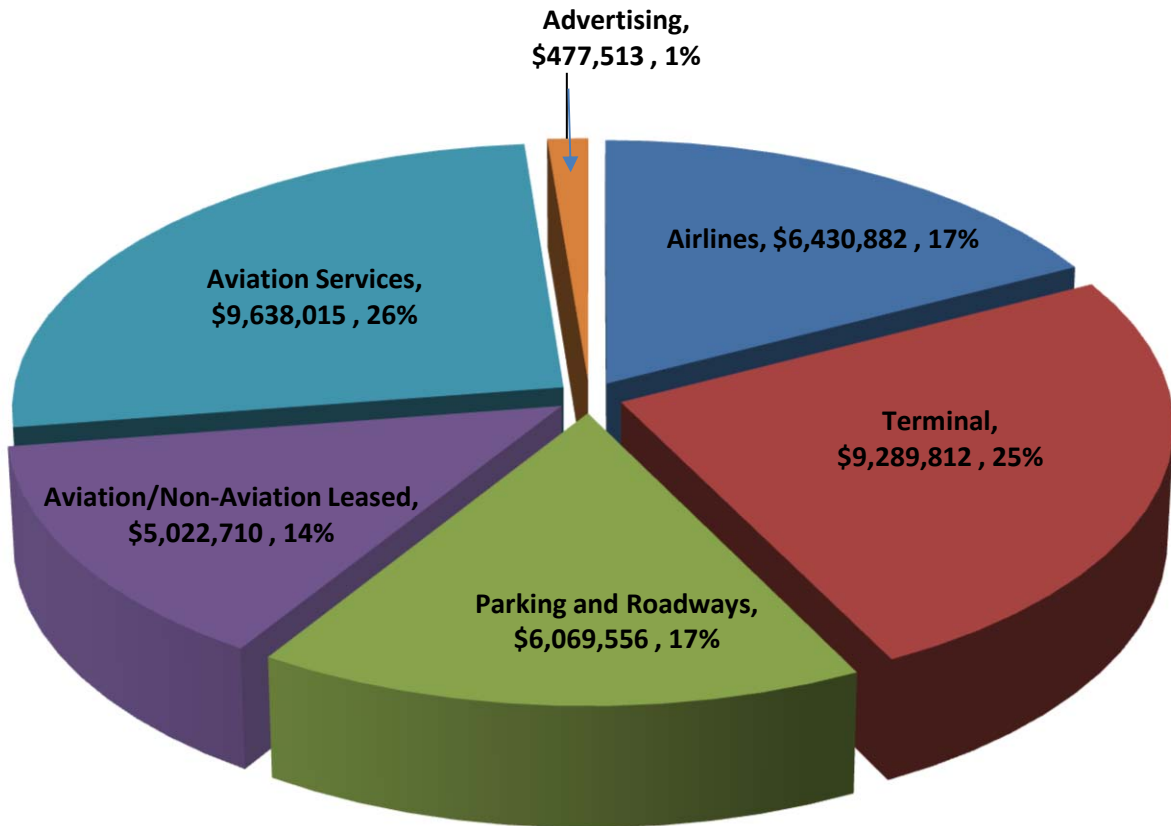
	2023 Budget A	2022 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2019 Actual E	Variance to Budget F	Variance % to Budget G (F/E)
<b>OPERATING REVENUES:</b>							
<b>Airfield:</b>							
Landing Fees	\$5,435,363	\$5,450,745	(\$15,382)	(0.28%)	\$4,877,512	\$557,851	11.44%
Apron Parking Fees	995,519	958,915	36,604	3.82%	755,455	240,064	31.78%
<b>Total Airfield Fees</b>	<b>\$6,430,882</b>	<b>\$6,409,660</b>	<b>\$21,222</b>	<b>0.33%</b>	<b>\$5,632,967</b>	<b>\$797,915</b>	<b>14.17%</b>
<b>Terminal:</b>							
Rent - Airlines	\$6,294,104	\$5,613,275	\$680,829	12.13%	\$3,682,802	\$2,611,302	70.91%
Rent - Concession & Other	670,890	616,427	54,463	8.84%	602,396	68,494	11.37%
Concession Fee - Rental Cars	1,828,440	1,629,800	198,640	12.19%	1,605,373	223,067	13.90%
Concession Fee - Restaurant/Newsstand	429,088	255,822	173,266	67.73%	301,959	127,129	42.10%
Concession Fee - Other	37,290	38,600	(1,310)	(3.39%)	103,079	(65,789)	(63.82%)
Utility Fees & Other	30,000	31,420	(1,420)	(4.52%)	42,095	(12,095)	(28.73%)
<b>Total Terminal Rents</b>	<b>\$9,289,812</b>	<b>\$8,185,344</b>	<b>\$1,104,468</b>	<b>13.49%</b>	<b>\$6,337,704</b>	<b>\$2,952,108</b>	<b>46.58%</b>
<b>Parking and Roadways</b>	<b>\$6,069,556</b>	<b>\$5,385,494</b>	<b>\$684,062</b>	<b>12.70%</b>	<b>\$5,782,916</b>	<b>\$286,640</b>	<b>4.96%</b>
<b>Aviation Leased Areas:</b>							
Hangar No. 1 Rent	\$62,729	\$59,800	\$2,929	4.90%	\$58,791	\$3,938	6.70%
Hangar No. 2 Rent	39,694	37,820	1,874	4.96%	30,740	8,954	29.13%
Hangar No. 3 Rent	462,265	446,336	15,929	3.57%	426,278	35,987	8.44%
Hangar No. 5 Rent	25,800	25,183	617	2.45%	23,029	2,771	12.03%
Hangar No. 7 Rent	344,370	356,760	(12,390)	(3.47%)	390,197	(45,827)	(11.74%)
Hangar No. 8 Rent	194,501	118,231	76,270	64.51%	123,588	70,913	57.38%
Hangar No. 9 Rent	857,047	799,010	58,037	7.26%	760,101	96,946	12.75%
Hangar No. 10 Rent	625,476	461,166	164,310	35.63%	623,835	1,641	0.26%
Hangar No. 11 Rent	802,601	569,699	232,902	40.88%	0	802,601	0.00%
T-Hangars	213,292	212,424	868	0.41%	201,527	11,765	5.84%
Air Cargo Building & Land Rents	251,453	298,071	(46,618)	(15.64%)	134,007	117,446	87.64%
Ramp, Gatecard and Other Income	60,744	55,523	5,221	9.40%	65,207	(4,463)	(6.84%)
<b>Total Aviation Leased Areas</b>	<b>\$3,939,972</b>	<b>\$3,440,023</b>	<b>\$499,949</b>	<b>14.53%</b>	<b>\$2,837,300</b>	<b>\$1,102,672</b>	<b>38.86%</b>
<b>Non-Aviation Leased Areas:</b>							
Building Rents	\$572,958	\$540,538	\$32,420	6.00%	\$916,164	(\$343,206)	(37.46%)
Land Rents	509,780	143,850	365,930	254.38%	140,044	369,736	264.01%
<b>Total Rents</b>	<b>\$1,082,738</b>	<b>\$684,388</b>	<b>\$398,350</b>	<b>58.21%</b>	<b>\$1,056,208</b>	<b>\$26,530</b>	<b>2.51%</b>
<b>Aviation Services:</b>							
Gross Fuel Sales	\$2,884,250	\$1,893,656	\$990,594	52.31%	\$1,761,693	\$1,122,557	63.72%
Landing Fees	364,954	218,500	146,454	67.03%	160,328	204,626	127.63%
Into Plane Fees	3,679,924	3,104,437	575,487	18.54%	2,515,652	1,164,272	46.28%
Hangar & Ramp Rentals	369,690	244,400	125,290	51.26%	192,088	177,602	92.46%
Ground Handling	1,921,172	1,483,230	437,942	29.53%	6,498,430	(4,577,258)	(70.44%)
Miscellaneous Income	418,025	114,681	303,344	264.51%	4,517	413,508	9154.48%
<b>Total Aviation Services</b>	<b>\$9,638,015</b>	<b>\$7,058,904</b>	<b>\$2,579,111</b>	<b>36.54%</b>	<b>\$11,132,708</b>	<b>(\$1,494,693)</b>	<b>(13.43%)</b>
<b>Advertising</b>	<b>\$477,513</b>	<b>\$302,357</b>	<b>\$175,156</b>	<b>57.93%</b>	<b>\$291,527</b>	<b>\$185,986</b>	<b>63.80%</b>
<b>Total Operating Revenue</b>	<b>\$36,928,488</b>	<b>\$31,466,170</b>	<b>\$5,462,318</b>	<b>17.36%</b>	<b>\$33,071,330</b>	<b>\$3,857,158</b>	<b>11.66%</b>
Cost of Sales	\$6,961,123	\$4,987,495	\$1,973,628	39.57%	\$3,443,487	\$3,517,636	102.15%
<b>Net Operating Revenue</b>	<b>\$29,967,365</b>	<b>\$26,478,675</b>	<b>\$3,488,690</b>	<b>13.18%</b>	<b>\$29,627,843</b>	<b>\$339,522</b>	<b>1.15%</b>

## Lehigh-Northampton Airport Authority 2023/2022/2021 LVIA Revenue



\* Excludes Care Act Reimbursement

## Lehigh-Northampton Airport Authority 2023 Revenue Sources \*



\* Excludes Cares Act Reimbursement

# **LEHIGH-NORTHAMPTON AIRPORT AUTHORITY**

## **Lehigh Valley International Airport**

### **2023 OPERATING EXPENSE BUDGET**

Total 2023 Operating Expense Budget (including Braden, Queen City and Events) is \$25,256,902, an increase of \$3,509,327 or 16% from the 2022 Budget. The changes in some of the major expense categories are detailed below.

#### **SALARIES AND WAGES**

Salaries and wages reflect a 11% increase over the 2022 Budget. The increase reflects several adjustments:

1. 2023 budgeted FTEs 2% below 2022 budget.
2. Compliance with PA minimum wage requirements including those for agencies which receive PA state grants. The LNAA, who routinely receive PA grants, is subject to the new minimum wage standard. The minimum wage will increase from \$7.25 to \$14.00 as of July 1, 2023.
3. Continued adjustments in non-union wages to reflect airport salary benchmarks. Additionally, non-union employees not impacted by the benchmark received a 3.0% increase effective September 7, 2022, and another 3.0% September 1, 2023.
4. Teamsters' personnel received the higher of a 3.0% increase or adjustments to reflect airport salary benchmarks and another 3.0% July 1, 2023.
5. Aircraft, Rescue and Firefighting (ARFF) personnel received adjustments to reflect airport salary benchmarks effective September 7, 2022, and another 3.0% September 1, 2023
6. Salary and wage increase of 2.75% for Police personnel on January 1, 2023, consistent with their current Collective Bargaining Agreement (CBA) which ends December 31, 2023.

#### **EMPLOYEE BENEFITS**

2023 Benefits are budgeted at a 23% increase from the 2022 Budget. The main contributors are:

1. Worker's compensation contribution of 7.5% of payroll.
2. Pension benefits estimated at 10% of all full-time salaries.
3. 5% increase in number of full-time employees while total hours decreased by 2%.
4. Continuation of the qualified high deductible plan with increased healthy rewards to Non-Union, Police, and ARFF employees.
5. Self-insured unemployment claims estimated at 2% of salary and wages.
6. The overall annual cost per full-time employee for medical insurance is \$22.3K. Combined employee medical contributions represent 6.7% of 2023 medical cost. The ARFF, Police, and Teamsters' contributions were increased according to their CBAs

7. Each year, the Airport Authority pays 115% of expected medical claims. If claims come in less than 115%, the Authority receives a rebate the following year. Included in the 2023 Budget is a \$60K rebate from 2022.

### **PROFESSIONAL SERVICES**

The 2023 Budget reflects an 27% increase vs. the 2022 Budget. The increase of professional services is due to several professional studies planned for 2023 to help the Airport Authority improve both efficiency and employee safety.

### **LEGAL SERVICES**

The 2023 Budget reflects a 43% decrease from the 2022 Budget. The 2023 budget reflects lower current and pending litigation.

### **AUDIT AND FINANCIAL SERVICES**

The 2023 Budget for audit fees reflects a 15% increase vs. the 2022 Budget. The fees are returning to the 2019 level.

### **CONTRACT SERVICES**

The contract services 2023 Budget increased 63% from the 2022 Budget. The increase is due to planned structure demolition in 2023.

### **ADVERTISING EXPENSE**

The 2023 Budget is 44% higher than the 2022 Budget and a 39% reduction vs 2019 Actuals. The 2023 advertising expense level is due to the current year airline incentives and production fees associated with new advertisers.

### **DUES AND SUBSCRIPTIONS**

The dues and subscriptions budget reflects a 23% increase vs. the 2022 Budget. The increase reflects continued security upgrades in our information technology and related software license fees.

### **EQUIPMENT RENTAL**

The 2023 budgeted equipment rental is (28%) lower than the 2022 Budget due to the payoff of previously leased equipment and vehicles.

## **BUSINESS AND TRAVEL / TRAINING AND SEMINARS**

The business and travel combined with training and seminars increased 32% versus the 2022 Budget. The increase reflects the return of in-person meetings and conferences and the opportunity to reconnect with our partners. The additional spend on training and seminars is consistent with the Authority's emphasis on training for new and existing employees.

## **MATERIALS & SUPPLIES**

Materials and supplies increased 29% vs. the 2022 Budget. Materials and supplies have been directly impacted by inflation and increases in passenger traffic.

The materials and supplies budget is always directly impacted by the number and intensity of snow events during the year. The 2023 Budget reflects 32 inches of snowfall over 15 events with a standard mix of overtime costs.

## **MAINTENANCE & REPAIRS**

Maintenance & Repairs budget increased 20% from the 2022 Budget due to price inflation and continued upkeep on our infrastructure.

## **UTILITIES**

The budgeted 43% increase from the 2022 Budget is consistent with utility increases across the region.

## **INSURANCE**

The Airport Authority and its representatives were able to negotiate a 5% overall insurance increase vs. the 2022 Budget. In the insurance industry double digit increases are the new normal and expected. The Airport Authority continues to review its insurance coverage levels to mitigate its risk. The insurance also reflects the additional coverage for new equipment, facilities, and infrastructure.

## **PAYMENT IN LIEU OF TAXES**

Required payments to Catasauqua Area School District and Hanover Township (Lehigh County) equal 10% of our parking revenue and is budgeted accordingly in 2023.

## **CREDIT CARD FEES**

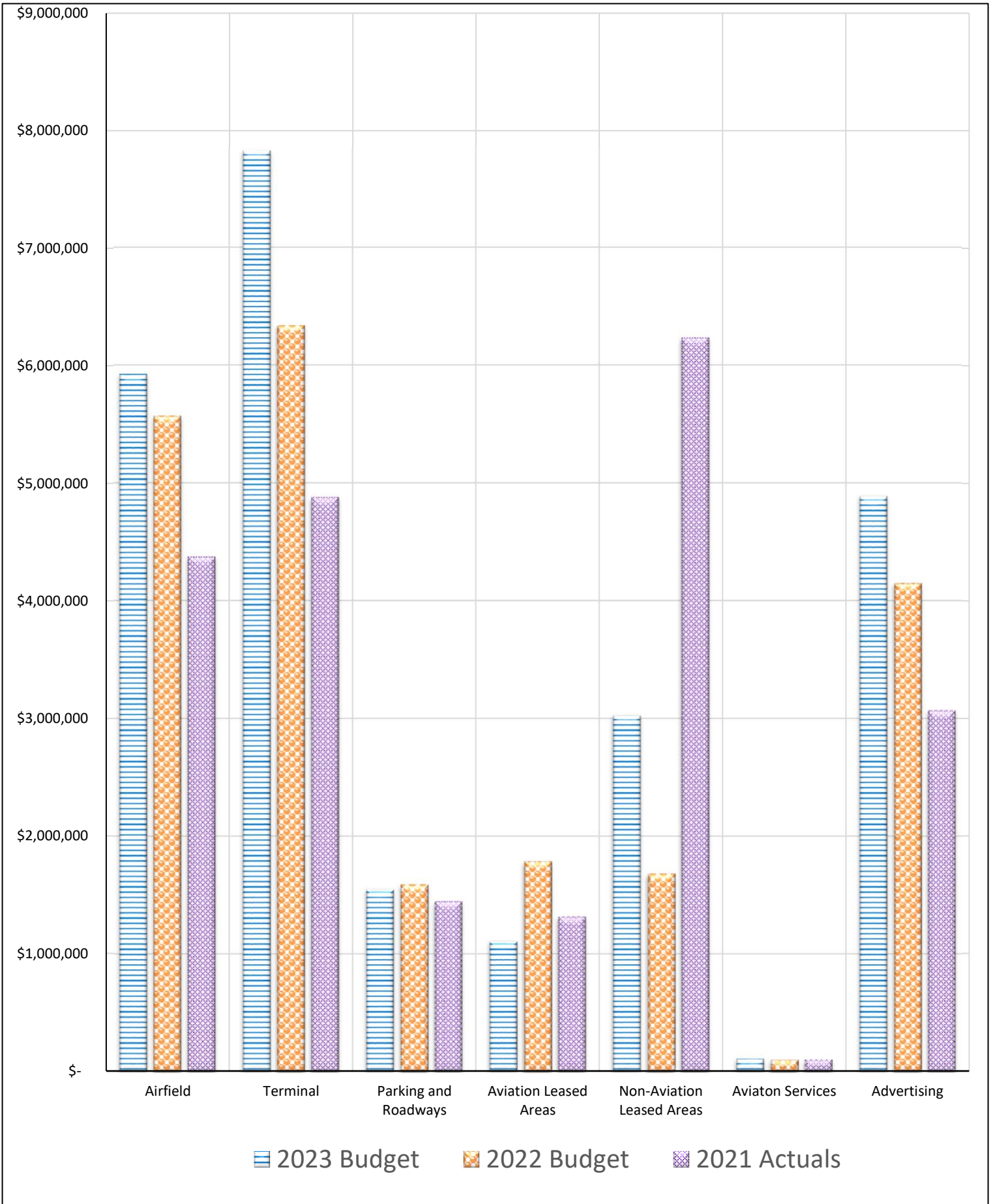
Credit card fees are incurred on sales of fuel and other FBO services, as well as parking lot revenue and will vary proportionately with the revenue.

**Lehigh Northampton Airport Authority**  
**Statement of Operating Expenses - LVIA**  
**Budget 2023**

	2023 Budget A	2022 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2019 Actual E	Variance to Budget F	Variance % to Budget G (F/E)
<b>OPERATING EXPENSES:</b>							
Salaries and Wages	\$9,857,707	\$8,998,902	\$858,805	9.54%	\$8,645,756	\$1,211,951	14.02%
Payroll Taxes	743,805	667,387	76,418	11.45%	656,018	87,787	13.38%
Employee Benefits	4,181,126	3,361,444	819,682	24.38%	3,082,700	1,098,426	35.63%
Subtotal	<u>\$14,782,638</u>	<u>\$13,027,733</u>	<u>\$1,754,905</u>	<u>13.47%</u>	<u>\$12,384,474</u>	<u>\$2,398,164</u>	<u>19.36%</u>
Professional Services	378,684	298,550	80,134	26.84%	459,317	(80,633)	(17.55%)
Legal Services	298,700	523,000	(224,300)	(42.89%)	370,029	(71,329)	(19.28%)
Audit and Financial Services	84,200	73,200	11,000	15.03%	86,693	(2,493)	(2.88%)
Public Relations	48,200	46,225	1,975	4.27%	38,223	9,977	26.10%
Contract Services	1,890,990	1,161,377	729,613	62.82%	905,482	985,508	108.84%
Advertising Expense	386,750	267,960	118,790	44.33%	636,365	(249,615)	(39.23%)
Recruiting Expense	43,400	40,000	3,400	8.50%	0	43,400	0.00%
Printing	11,620	13,920	(2,300)	(16.52%)	12,030	(410)	(3.41%)
Postage	4,240	5,040	(800)	(15.87%)	4,509	(269)	(5.97%)
Dues and Subscriptions	801,599	651,889	149,710	22.97%	409,450	392,149	95.77%
Office Supplies	41,540	39,622	1,918	4.84%	42,119	(579)	(1.37%)
Telephone	150,544	124,210	26,334	21.20%	102,513	48,031	46.85%
Training and Seminars	161,800	121,870	39,930	32.76%	36,609	125,191	341.97%
Business and Travel Related	130,733	99,320	31,413	31.63%	44,965	85,768	190.74%
Hospitality	39,369	25,284	14,085	55.71%	22,166	17,203	77.61%
Equipment Rental	479,239	669,774	(190,535)	(28.45%)	1,926,565	(1,447,326)	(75.12%)
Materials & Supplies	787,534	612,102	175,432	28.66%	670,869	116,665	17.39%
Maintenance Repairs	769,980	644,352	125,628	19.50%	769,782	198	0.03%
Heating Gas and Oil	371,100	337,713	33,387	9.89%	275,327	95,773	34.79%
Electricity	1,135,100	706,317	428,783	60.71%	609,532	525,568	86.22%
Water	166,600	115,258	51,342	44.55%	113,660	52,940	46.58%
Refuse Collection	49,332	40,997	8,335	20.33%	34,991	14,341	40.98%
Uniforms	67,044	65,294	1,750	2.68%	74,236	(7,192)	(9.69%)
Insurance	685,577	651,525	34,052	5.23%	481,804	203,773	42.29%
Real Estate Taxes	200,000	200,000	0	0.00%	128,912	71,088	55.14%
Payment in Lieu of Taxes	594,330	533,527	60,803	11.40%	552,548	41,782	7.56%
Credit Card Fees	180,817	159,298	21,519	13.51%	184,092	(3,275)	(1.78%)
Bad Debt Expense	0	0	0	0.00%	(38,595)	38,595	(100.00%)
Miscellaneous	7,620	9,768	(2,148)	(21.99%)	112,308	(104,688)	(93.22%)
<b>Total Operating Expenses</b>	<b><u>\$24,749,280</u></b>	<b><u>\$21,265,125</u></b>	<b><u>\$3,484,155</u></b>	<b><u>16.38%</u></b>	<b><u>\$21,450,975</u></b>	<b><u>\$3,298,305</u></b>	<b><u>15.38%</u></b>
Allocated to QC	(\$232,086)	(\$34,491)	(\$197,595)	572.89%	(\$25,383)	(\$206,703)	814.34%
Allocated to Braden	(84,017)	(24,809)	(59,208)	238.66%	(18,354)	(65,663)	357.76%
<b>Total Operating Expenses after Allocation</b>	<b><u>\$24,433,177</u></b>	<b><u>\$21,205,825</u></b>	<b><u>\$3,227,352</u></b>	<b><u>15.22%</u></b>	<b><u>\$21,407,238</u></b>	<b><u>\$3,025,939</u></b>	<b><u>14.14%</u></b>



## Lehigh-Northampton Airport Authority 2023/2022/2021 LVIA Expenses



# LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

## Queen City Airport and Braden Airpark

### **Queen City Airport**

Net Income from Operations decreased \$352K (or 1033%) vs. the 2022 Budget at Queen City Airport (XLL). Net operating revenue decreased \$176K. The \$252K increase in fuel and labor costs were slightly offset by the \$76K increase in fuel pricing. The Airport Authority continues to look for new opportunities to bring in additional general aviation revenue.

### **Braden Airpark**

Net Income from Operations shows an increase of \$27K vs. the 2022 Budget at Braden Airpark (N43). Total revenue decreased \$35K vs. the 2022 Budget due to the decrease in hangar rentals and fuel sales. The cost of sales decreased by \$168K due to lower fuel sales and elimination of on-site staff. Lower labor costs are offset by SpiritWings Aviation professional fees. SpiritWings provides staffing for oversight and day to day operations at Braden Airpark.

The Airport Authority's Board of Governors and staff have a strategic plan to make N43 profitable in the coming years through the addition of non-aeronautical development.

### **Overall**

For the 2023 Budget the Authority updated its internal administration allocations consistent with the resources used for both Queen City and Braden.

**Lehigh Northampton Airport Authority  
Queen City Airport  
Budget 2023**

	2023 Budget A	2022 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2019 Actual E	Variance to Budget F	Variance % to Budget G (F/E)
<b>Revenue:</b>							
Hangar & Ramp Rentals	\$524,169	\$547,578	(\$23,409)	(4.28%)	\$521,986	\$2,183	0.42%
Fuel Sales-FBO	515,140	377,739	137,401	36.37%	405,059	110,081	27.18%
Into Plane Fees-FBO	120,950	159,000	(38,050)	(23.93%)	394,637	(273,687)	(69.35%)
Pilot Supplies Sales	300	300	0	0.00%	273	27	9.89%
Miscellaneous Income	9,317	9,317	0	0.00%	5,868	3,449	58.78%
<b>Total Revenue</b>	<b>\$1,169,876</b>	<b>\$1,093,934</b>	<b>\$75,942</b>	<b>6.94%</b>	<b>\$1,327,823</b>	<b>(\$157,947)</b>	<b>(11.90%)</b>
<b>Cost of Sales:</b>							
Fuel Cost	\$480,000	\$376,000	\$104,000	27.66%	\$507,405	-\$27,405	(5.40%)
Labor costs	522,337	374,437	147,900	39.50%	336,159	186,178	55.38%
<b>Total Cost of Sales</b>	<b>\$1,002,337</b>	<b>\$750,437</b>	<b>\$251,900</b>	<b>33.57%</b>	<b>\$843,643</b>	<b>\$158,694</b>	<b>18.81%</b>
<b>Net Operating Revenue</b>	<b>\$167,539</b>	<b>\$343,497</b>	<b>(\$175,958)</b>	<b>(51.23%)</b>	<b>\$484,180</b>	<b>(\$316,641)</b>	<b>(65.40%)</b>
<b>Operating Expenses:</b>							
Salaries & Wages	\$34,352	\$59,426	(\$25,074)	(42.19%)	\$30,989	\$3,363	10.85%
Payroll Taxes	2,490	4,343	(1,853)	(42.67%)	2,312	178	7.70%
Employee Benefits	17,525	30,118	(12,593)	(41.81%)	13,593	3,932	28.93%
Subtotal	\$54,367	\$93,887	(\$39,520)	(42.09%)	\$46,894	\$7,473	15.94%
Professional Fee	0	0	0	0.00%	285	(285)	(100.00%)
Legal Fees	10,000	10,000	0	0.00%	5,813	4,187	72.03%
Public Relations	0	550	(550)	(100.00%)	0	0	0.00%
Contract Services	29,000	20,588	8,412	40.86%	13,292	15,708	118.18%
Advertising Expense	0	600	(600)	(100.00%)	0	0	0.00%
Printing	100	100	0	0.00%	24	76	316.67%
Postage & Shipping	50	50	0	0.00%	171	(121)	(70.76%)
Dues & Subscriptions	2,750	1,075	1,675	155.81%	436	2,314	530.73%
Office Expenses	600	600	0	0.00%	1,395	(795)	(56.99%)
Telephone Expense	3,360	3,360	0	0.00%	3,264	96	2.94%
Training & Seminars	1,550	1,550	0	0.00%	924	626	67.75%
Travel & Business Expenses	2,450	3,450	(1,000)	(28.99%)	209	2,241	1072.25%
Hospitality	1,000	500	500	100.00%	432	568	131.48%
Equipment Rental	11,520	14,676	(3,156)	(21.50%)	28,807	(17,287)	(60.01%)
Materials & Supplies	30,000	15,500	14,500	93.55%	28,324	1,676	5.92%
Maintenance & Repairs	36,000	46,000	(10,000)	(21.74%)	31,771	4,229	13.31%
Utilities-Heat	22,000	18,450	3,550	19.24%	9,878	12,122	122.72%
Utilities-Light & Power	37,200	25,000	12,200	48.80%	22,428	14,772	65.86%
Utilities-Water	1,800	1,800	0	0.00%	880	920	104.55%
Refuse Services	1,000	1,000	0	0.00%	779	221	28.37%
Uniform Purchase & Expense	4,000	3,500	500	14.29%	1,661	2,339	140.82%
Real Estate Taxes	71,200	71,200	0	0.00%	71,200	0	0.00%
Credit Card Fees	1,200	9,600	(8,400)	(87.50%)	9,279	(8,079)	(87.07%)
Bad Debt Expense	0	0	0	0.00%	17,601	(17,601)	(100.00%)
Miscellaneous Expenses	0	0	0	0.00%	16	(16)	(100.00%)
Allocated	232,086	34,491	197,595	572.89%	25,383	206,703	814.34%
<b>Total Operating Expenses</b>	<b>\$553,233</b>	<b>\$377,527</b>	<b>\$175,706</b>	<b>46.54%</b>	<b>\$321,146</b>	<b>\$232,087</b>	<b>72.27%</b>
<b>Net Income (Loss) from Operations</b>	<b>(\$385,694)</b>	<b>(\$34,030)</b>	<b>(\$351,664)</b>	<b>1033.39%</b>	<b>\$163,034</b>	<b>(\$548,728)</b>	<b>(336.57%)</b>
<b>NON-OPERATING COSTS:</b>							
Depreciation	\$146,051	\$234,355	(\$88,304)	(37.68%)	\$146,678	(\$627)	(0.43%)
Total Non-Operating Costs	\$146,051	\$234,355	(\$88,304)	(37.68%)	\$146,678	(\$627)	(0.43%)
<b>Net Income after Depreciation</b>	<b>(\$531,745)</b>	<b>(\$268,385)</b>	<b>(\$263,360)</b>	<b>98.13%</b>	<b>\$16,356</b>	<b>(\$548,101)</b>	<b>(3351.07%)</b>

**Lehigh Northampton Airport Authority  
Braden Airpark  
Budget 2023**

	2023 Budget A	2022 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2019 Actual E	Variance to Budget F	Variance % to Budget G (F/E)
<b>Revenue:</b>							
Hangar & Ramp Rentals	\$90,477	\$107,336	(\$16,859)	(15.71%)	\$93,231	(\$2,754)	(2.95%)
Fuel Sales-FBO	41,000	59,000	(18,000)	(30.51%)	72,084	(31,084)	(43.12%)
<b>Total Revenue</b>	<b>\$131,477</b>	<b>\$166,336</b>	<b>(\$34,859)</b>	<b>(20.96%)</b>	<b>\$165,315</b>	<b>(\$33,838)</b>	<b>(20.47%)</b>
<b>Cost of Sales:</b>							
Fuel Cost	\$35,000	\$55,000	(\$20,000)	(36.36%)	\$55,689	(\$20,689)	(37.15%)
Labor costs	27,731	175,750	(148,019)	(84.22%)	135,045	(107,314)	(79.47%)
<b>Total Cost of Sales</b>	<b>\$62,731</b>	<b>\$230,750</b>	<b>(\$168,019)</b>	<b>(72.81%)</b>	<b>\$190,734</b>	<b>(\$128,003)</b>	<b>(67.11%)</b>
<b>Net Operating Revenue</b>	<b>\$68,746</b>	<b>(\$64,414)</b>	<b>\$133,160</b>	<b>(206.73%)</b>	<b>(\$25,419)</b>	<b>\$94,165</b>	<b>(370.45%)</b>
<b>Operating Expenses:</b>							
Salaries & Wages	\$12,963	\$34,876	(\$21,913)	(62.83%)	\$14,350	(\$1,387)	(9.67%)
Payroll Taxes	939	2,549	(1,610)	(63.16%)	1,331	(392)	(29.45%)
Employee Benefits	6,613	17,675	(11,062)	(62.59%)	1,530	5,083	332.22%
Subtotal	\$20,515	\$55,100	(\$34,585)	(62.77%)	\$17,211	\$3,304	19.20%
Professional Fee	96,000	0	96,000	0.00%	280	95,720	34185.71%
Legal Fees	6,000	0	6,000	0.00%	0	6,000	0.00%
Contract Services	7,220	7,570	(350)	(4.62%)	7,447	(227)	(3.05%)
Advertising Expense	0	500	(500)	(100.00%)	0	0	0.00%
Postage & Shipping	0	50	(50)	(100.00%)	0	0	0.00%
Dues & Subscriptions	0	250	(250)	(100.00%)	250	(250)	(100.00%)
Office Expenses	0	320	(320)	(100.00%)	284	(284)	(100.00%)
Telephone Expense	0	4,200	(4,200)	(100.00%)	3,863	(3,863)	(100.00%)
Training & Seminars	0	300	(300)	(100.00%)	34	(34)	(100.00%)
Travel & Business Expenses	0	0	0	0.00%	0	0	0.00%
Hospitality	300	300	0	0.00%	0	300	0.00%
Equipment Rental	3,640	9,926	(6,286)	(63.33%)	22,909	(19,269)	(84.11%)
Materials & Supplies	10,000	14,864	(4,864)	(32.72%)	13,738	(3,738)	(27.21%)
Maintenance & Repairs	12,000	12,000	0	0.00%	12,740	(740)	(5.81%)
Utilities-Heat	7,000	14,000	(7,000)	(50.00%)	15,884	(8,884)	(55.93%)
Utilities-Light & Power	15,600	10,197	5,403	52.99%	8,558	7,042	82.29%
Utilities-Water	3,000	2,400	600	25.00%	2,878	122	4.24%
Refuse Services	1,000	1,000	0	0.00%	457	543	118.82%
Uniform Purchase & Expense	0	2,160	(2,160)	(100.00%)	1,744	(1,744)	(100.00%)
Credit Card Fees	1,200	1,277	(77)	(6.03%)	1,406	(206)	(14.65%)
Bad Debt Expense	0	0	0	0.00%	(2,441)	2,441	(100.00%)
Miscellaneous Expenses	3,000	3,000	0	0.00%	21,493	(18,493)	(86.04%)
Allocated	84,017	24,809	59,208	238.66%	18,354	65,663	357.76%
<b>Total Operating Expenses</b>	<b>\$270,492</b>	<b>\$164,223</b>	<b>\$106,269</b>	<b>64.71%</b>	<b>\$147,089</b>	<b>\$123,403</b>	<b>83.90%</b>
<b>Net Income (Loss) from Operations</b>	<b>(\$201,746)</b>	<b>(\$228,637)</b>	<b>\$26,891</b>	<b>(11.76%)</b>	<b>(\$172,508)</b>	<b>(\$29,238)</b>	<b>16.95%</b>
<b>NON-OPERATING COSTS:</b>							
Depreciation	68,420	66,346	2,074	3.13%	60,119	8,301	13.81%
<b>Total Non-Operating Costs</b>	<b>\$68,420</b>	<b>\$66,346</b>	<b>\$2,074</b>	<b>3.13%</b>	<b>\$60,119</b>	<b>\$8,301</b>	<b>13.81%</b>
<b>Net Income after Depreciation</b>	<b>(\$270,166)</b>	<b>(\$294,983)</b>	<b>\$24,817</b>	<b>(8.41%)</b>	<b>(\$232,627)</b>	<b>(\$37,539)</b>	<b>16.14%</b>

## **Insights on Changes to Personnel**

The 2023 Budget of 229 FTEs shows an increase of 26 FTEs compared to the 2022 YTD average of 203 FTEs but a decrease of 5 FTEs from the 2022 Budget. The increase in FTEs reflects the return to pre-pandemic operations; in 2019 actual FTEs were 193. The overall increase in activity primarily at LVIA impacted most activity-based departments. Personnel costs represent the biggest expense component of the budget and will continue to reflect the projected economic circumstances of the Authority.

The four departments with the largest variances are noted below:

### **Maintenance**

7 FTEs – Will be hired to replace open maintenance positions available due to current vacancies. The added FTEs helps address additional maintenance concerns because of expanded operations.

### **Aviation Services - FBO**

4 FTEs – The FBO is one of the economic drivers for the Authority. The additional FTEs will support the growing business of the FBO.

### **Purchasing**

3 FTEs -The Purchasing department has been formed to increase efficiency and controls over purchase ordering and processing. Three internal employees temporarily added to the Finance team have formed the new Purchasing department. The three employees were originally from the Custodial, Maintenance, and Finance departments.

### **Operations Center**

3 FTEs – The Operations Center is key for early detection of potential operations and safety issues at the LNAA airports. The increase in airfield operations throughout the day has increased the need for more FTEs in this department.

### LNAA Full Time Equivalent (FTEs) and Full-Time Employees (FT)

Description	Period	FTEs	% vs. 2019 Actual	FT EEs	% vs. 2019 Actual	Total EES	% vs. 2019 Actual
Budget	2023	229	18.7%	162	22.7%	318	28.2%
Budget	2022	234	21.2%	155	17.4%	318	28.2%
Budget	2021	185	-4.1%	144	9.1%	311	25.4%
Budget	2020	218	13.0%	130	-1.5%	270	8.9%
Budget	2019	205	6.2%	133	0.8%	272	9.7%
Budget	2018	207	7.3%	116	-12.1%	232	-6.5%
Actual	1-Nov-22	206	6.7%	148	12.1%	272	9.7%
Actual	2-Nov-21	179	-7.3%	127	-3.8%	239	-3.6%
Actual	3-Nov-20	168	-13.0%	128	-3.0%	237	-4.4%
Actual	5-Nov-19	198	2.6%	133	0.8%	252	1.6%
Actual	6-Nov-18	189	-2.1%	132	0.0%	241	-2.8%
Actual YTD*	2022	203	5.2%	142	7.6%	264	6.5%
Actual	2021	186	-3.6%	127	-3.8%	236	-4.8%
Actual	2020	179	-7.3%	130	-1.5%	241	-2.8%
Actual**	2019	193	0.0%	132	0.0%	248	0.0%
Actual	2018	188	-2.6%	128	-3.0%	235	-5.2%

\*Thru 11/1/22

\*\*All Results Compared to 2019 Actual.

### FTEs by Department vs. 2022 Budget

Department	2023 Budget (A)	YTD Average (B)*	2022 Budget (C)	Variance (A-B)	% Variance (A vs. B)	Variance (A-C)	% Variance (A vs. C)
Advertising	0.7	0.5	0.5	0.2	n/a	0.2	40%
ARFF **	10.8	8.6	10.8	2.2	26%	0.0	0%
Aviation Services- FBO	33.3	28.9	35.6	4.4	15.3%	-2.3	-6.4%
Aviation Services- QC	8.0	6.4	6.9	1.6	25.0%	1.1	15.9%
Aviation Services-Braden	0.3	0.7	3.3	-0.5	-64.3%	-3.1	-92.4%
Business Development	2.3	2.3	1.5	0.0	0.0%	0.8	53.3%
Custodial	12.7	12.4	13.4	0.3	2.2%	-0.7	-5.4%
Customer Experience	5.2	5.1	5.3	0.1	1.4%	-0.1	-2.5%
Executive Board	2.0	2.0	2.1	0.0	0.0%	-0.1	-4.8%
Finance	7.7	8.1	9.1	-0.4	-4.9%	-1.4	-15.4%
Ground Handling -LV	35.1	33.0	31.9	2.1	6.2%	3.2	9.9%
HR	3.0	2.4	3.7	0.6	25.0%	-0.7	-18.9%
IT	5.0	5.0	5.0	0.0	0.0%	0.0	0.0%
Maintenance	31.1	24.0	35.2	7.1	29.5%	-4.1	-11.7%
Marketing	1.0	1.0	1.5	0.0	0.0%	-0.5	-33.3%
Operations Admin.	6.0	5.5	6.0	0.5	9.1%	0.0	0.0%
Operations Center	9.4	6.7	10.3	2.7	39.9%	-0.9	-9.0%
Operations Officers	5.7	4.8	5.1	0.9	18.8%	0.6	11.8%
Parking	6.6	6.7	8.3	-0.1	-1.9%	-1.7	-20.8%
Passenger Services	19.8	18.4	19.0	1.4	7.3%	0.8	3.9%
Planning	3.8	3.0	3.0	0.8	25.0%	0.8	25.0%
Police	13.3	14.1	12.9	-0.8	-5.5%	0.4	3.3%
Properties	2.3	2.1	2.2	0.2	7.1%	0.0	2.3%
Purchasing	3.0	0.0	0.0	3.0	n/a	3.0	n/a
Transbridge	1.0	1.4	1.0	-0.4	-28.6%	0.0	0.0%
<b>Grand Total</b>	<b>228.8</b>	<b>203.1</b>	<b>233.6</b>	<b>25.7</b>	<b>12.6%</b>	<b>-4.8</b>	<b>-2.1%</b>

\*YTD Average through 11/1/22

\*\*Dept FTE Based on 56 Hours for ARFF

### FTEs by Department vs. 2019 Actuals

Department	2023 Budget (A)	11/1/2022 * (B)	2019 Actual (C)	Variance (A-B)	% Variance (A vs. B)	Variance (A-C)	% Variance (A vs. C)
Advertising	0.7	0.5	1.0	0.2	n/a	-0.3	-30%
ARFF **	10.8	8.1	8.3	2.7	34%	2.5	31%
Aviation Services- FBO	33.3	31.3	27.9	2.0	7%	5.4	19%
Aviation Services- QC	8.0	6.1	6.3	1.9	31%	1.7	27%
Aviation Services-Braden	0.3	0.5	2.4	-0.3	-50%	-2.2	-90%
Business Development	2.3	2.5	1.7	-0.2	-8%	0.6	35%
Custodial	12.7	10.4	12.6	2.3	22%	0.1	1%
Customer Experience	5.2	4.9	4.8	0.2	5%	0.4	8%
Executive Board	2.0	2.0	2.0	0.0	0%	0.0	0%
Finance	7.7	7.8	6.2	-0.1	-1%	1.5	24%
Ground Handling -LV	35.1	33.7	22.5	1.4	4%	12.6	56%
HR	3.0	3.0	3.1	0.0	0%	-0.1	-3%
IT	5.0	5.0	5.0	0.0	0%	0.0	0%
Maintenance	31.1	23.7	26.8	7.4	31%	4.3	16%
Marketing	1.0	1.0	1.2	0.0	0%	-0.2	-17%
Operations Admin.	6.0	6.0	5.1	0.0	0%	0.9	18%
Operations Center	9.4	6.7	6.4	2.7	40%	3.0	46%
Operations Officers	5.7	4.6	5.4	1.1	24%	0.3	6%
Parking	6.6	6.9	8.1	-0.3	-5%	-1.5	-19%
Passenger Services	19.8	18.6	15.4	1.2	6%	4.4	28%
Planning	3.8	3.0	2.5	0.8	25%	1.3	50%
Police	13.3	13.3	13.6	0.1	0%	-0.3	-2%
Properties	2.3	2.1	2.2	0.1	5%	0.0	2%
Purchasing	3.0	3.0	0.0	0.0	n/a	3.0	n/a
Transbridge	1.0	1.3	2.4	-0.3	-23%	-1.4	-58%
<b>Grand Total</b>	<b>228.8</b>	<b>206.0</b>	<b>192.9</b>	<b>22.8</b>	<b>11.1%</b>	<b>35.9</b>	<b>18.6%</b>

\*Actual Hours as of 11/1/2022 Payroll

\*\*Dept FTE Based on 56 Hours for ARFF



**Lehigh-Northampton Airport Authority**

**Cash Flow Projection**

a	Year	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023
b	Month	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTALS	
c	<b>Beginning Cash</b>	\$ 24,825,165	\$ 23,752,002	\$ 25,988,348	\$ 26,680,927	\$ 25,659,233	\$ 26,415,314	\$ 27,057,255	\$ 25,154,542	\$ 25,564,171	\$ 23,139,392	\$ 23,232,110	\$ 21,986,991		
1	Estimated Operating Revenues	\$ 2,483,923	\$ 2,876,726	\$ 2,795,797	\$ 3,281,315	\$ 3,256,526	\$ 3,080,117	\$ 3,175,605	\$ 3,326,981	\$ 3,095,099	\$ 2,728,999	\$ 3,061,913	\$ 3,005,198	\$ 36,168,199	
2	Oper. Expenses & COS Labor	\$ (2,495,473)	\$ (2,344,487)	\$ (2,736,827)	\$ (2,445,694)	\$ (2,729,938)	\$ (2,761,863)	\$ (2,531,147)	\$ (2,740,400)	\$ (2,469,379)	\$ (2,638,251)	\$ (2,804,152)	\$ (2,770,946)	\$ (31,468,557)	
3	Queen City Income (Loss)	\$ (20,077)	\$ (90,271)	\$ (34,590)	\$ (26,856)	\$ (25,931)	\$ (9,584)	\$ 38,831	\$ 37,185	\$ (4,789)	\$ 4,278	\$ 2,051	\$ (46,819)	\$ (176,572)	
4	Braden Airpark Income (Loss)	\$ (16,995)	\$ (15,399)	\$ (13,956)	\$ (11,451)	\$ (12,183)	\$ (15,802)	\$ (9,772)	\$ (11,599)	\$ (12,358)	\$ (13,419)	\$ (9,658)	\$ (14,872)	\$ (157,464)	
5	Event (Loss)	\$ (167)	\$ (167)	\$ (167)	\$ (167)	\$ (1,167)	\$ (25,167)	\$ (1,167)	\$ (8,167)	\$ (2,167)	\$ (4,167)	\$ (167)	\$ (1,167)	\$ (44,004)	
6	Net Interest	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 36,000	
7	Debt Service - 2015 Bonds	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (3,366,000)	
8	Debt Service - Hangar 11	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (690,360)	
9	Debt Service - Connector Fixed	\$ (42,517)	\$ (51,517)	\$ (51,517)	\$ (58,267)	\$ (58,267)	\$ (64,098)	\$ (68,913)	\$ (96,640)	\$ (96,640)	\$ (96,640)	\$ (96,640)	\$ (96,640)	\$ (878,294)	
10	Debt Service - Connector Bridge	\$ (2,574)	\$ (2,574)	\$ (301,706)	\$ (336,800)									\$ (643,654)	
11	Airline Settlement							(800,000)						\$ (800,000)	
12	Lease Reimbursements		\$ 500,000		\$ -		\$ 500,000							\$ 1,000,000	
13	Loan Proceeds - Connector Fixed	\$ 2,000,000		\$ 1,500,000		\$ 1,295,876	\$ 1,070,000							\$ 5,865,876	
14	Loan Proceeds - Connector Bridge													\$ -	
15	Transfers from PFC to Operating	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 1,560,000	
16	CFC Funds	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 300,000	
	Funds Available before Capital Purchases, Lease Payments, & Grant Receipts	\$ 26,551,256	\$ 24,444,283	\$ 26,965,353	\$ 26,902,977	\$ 27,204,120	\$ 28,008,887	\$ 26,680,662	\$ 25,481,872	\$ 25,893,907	\$ 22,940,162	\$ 23,205,427	\$ 21,881,715		
	<b>CIP Cash Flow Items:</b>														
18	Lease Payments	\$ (121,693)	\$ (202,449)	\$ (133,668)	\$ (133,668)	\$ (214,424)	\$ (121,729)	\$ (133,704)	\$ (214,460)	\$ (133,704)	\$ (133,704)	\$ (214,460)	\$ (78,311)	\$ (1,835,972)	
19	Capital Purchases/Local Contributions	(4,350,476)	(2,788,560)	(2,757,556)	(5,374,328)	(5,796,099)	(6,896,669)	(5,579,857)	(5,040,515)	(5,387,918)	(3,295,789)	(3,788,289)	(3,712,970)	\$ (54,769,023)	
20	New Properties			(600,000)										\$ (600,000)	
21	FAA/PA Grant Receipts	1,672,915	3,535,074	3,206,797	4,264,252	5,162,717	5,466,765	4,187,440	4,237,273	2,767,107	3,421,440	2,784,312	2,228,907	\$ 42,935,000	
22	Subtotal CIP	\$ (2,799,254)	\$ 544,065	\$ (284,426)	\$ (1,243,744)	\$ (847,806)	\$ (1,551,632)	\$ (1,526,120)	\$ (1,017,701)	\$ (2,754,515)	\$ (8,052)	\$ (1,218,437)	\$ (1,562,374)	\$ (14,269,996)	
23	Ending Cash Before Special Cares Grants	\$ 23,752,002	\$ 24,988,348	\$ 26,680,927	\$ 25,659,233	\$ 26,356,314	\$ 26,457,255	\$ 24,464,171	\$ 23,139,392	\$ 22,932,110	\$ 21,986,991	\$ 20,319,340	\$ 20,319,340		
24	Special Cares Acts Grants	-	1,000,000	-	-	59,000	600,000	-	1,100,000	-	300,000	-	1,029,850	4,088,850	
25	Ending Cash After Cares Act Grant (24+24)	\$ 23,752,002	\$ 25,988,348	\$ 26,680,927	\$ 25,659,233	\$ 26,415,314	\$ 27,057,255	\$ 25,154,542	\$ 25,564,171	\$ 23,139,392	\$ 23,232,110	\$ 21,986,991	\$ 21,349,190		
	<b>Reserves and Restrictions:</b>														
26	Required Bond Cash Reserve	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000		
27	AIP/Other Restricted Use Only	\$ 6,818,068	\$ 6,318,068	\$ 5,818,068	\$ 5,318,068	\$ 4,818,068	\$ 4,318,068	\$ 3,818,068	\$ 3,318,068	\$ 2,818,068	\$ 2,318,068	\$ 1,818,068	\$ 1,318,068		
28	Unrestricted Cash (25-26-27)	\$ 12,213,933	\$ 14,950,280	\$ 16,142,858	\$ 15,621,165	\$ 16,877,245	\$ 18,019,187	\$ 16,616,473	\$ 17,526,103	\$ 15,601,324	\$ 16,194,042	\$ 15,448,922	\$ 15,311,122		
29	Contingency Reserve	\$ 1,265,000	\$ 1,265,000	\$ 1,265,000	\$ 1,265,000	\$ 1,265,000	\$ 1,265,000	\$ 1,265,000	\$ 1,265,000	\$ 1,265,000	\$ 1,265,000	\$ 1,265,000	\$ 1,265,000		
30	Reserved for Future Full Debt Service	\$ 1,261,000	\$ 1,358,000	\$ 1,455,000	\$ 1,552,000	\$ 1,649,000	\$ 1,746,000	\$ 1,843,000							
31	Unrestricted Cash After Contingency & Future Debt Service (28-29-30)	\$ 9,687,933	\$ 12,327,280	\$ 13,422,858	\$ 12,804,165	\$ 13,963,245	\$ 15,008,187	\$ 13,508,473	\$ 16,261,103	\$ 14,336,324	\$ 14,929,042	\$ 14,183,922	\$ 14,046,122		
32	Unrestricted Ending Days Cash on Hand After Contingency @ \$69,318/day	139.8	177.8	193.6	184.7	201.4	216.5	194.9	234.6	206.8	215.4	204.6	202.6		

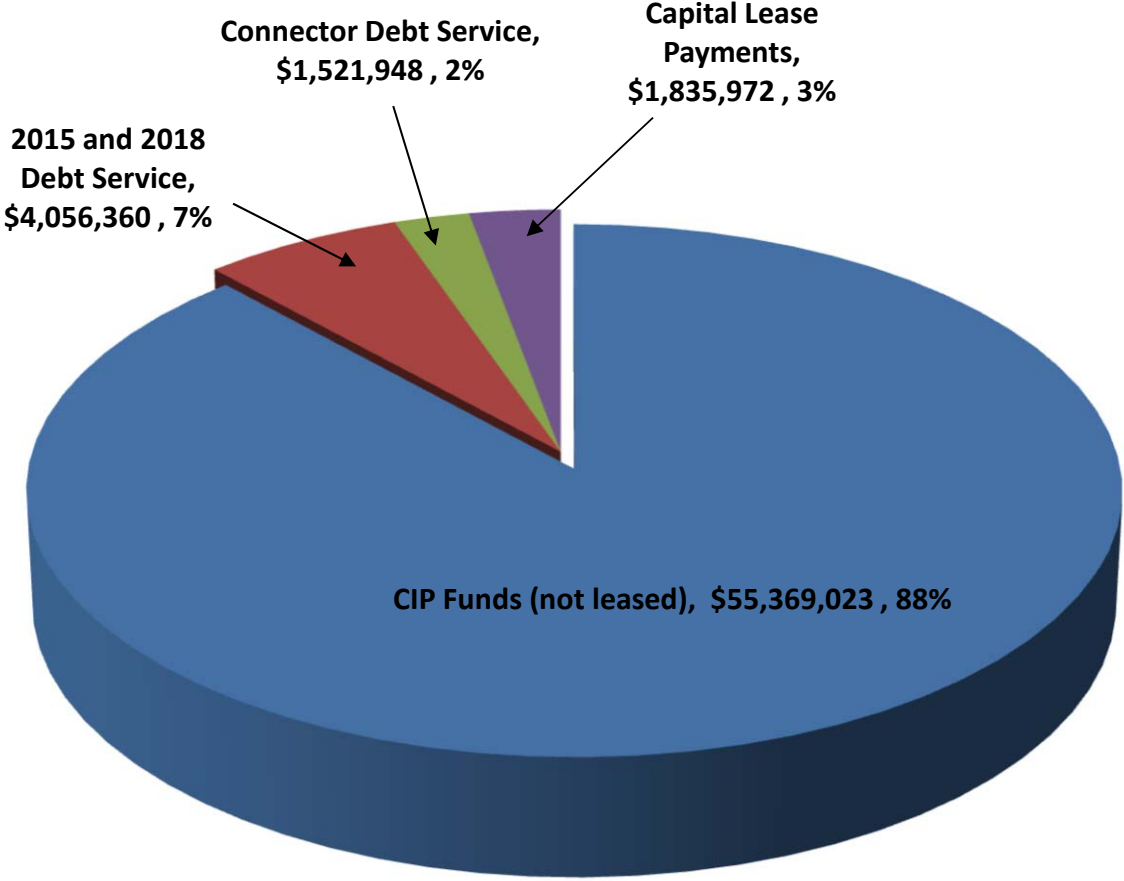
Notes to Items:

- 1 Estimated Revenue
- 2 Estimated Operating Expenses and Cost of Sales.
- 7 Debt Service for 2015 Bonds with BMO Harris.
- 8 Debt Service for 2018 Hangar 11 Bonds with BMO Harris.
- 9 Estimated Interest Only Payment for Fixed Connector Loan of \$15M.
- 10 Estimated Interest Payment & Grant RePayment for Bridge Loan.
- 11 (Payment)/Credit from Airlines for prior year results for Airfield, Terminal, & Apron.
- 12 Lease Line of Credit is reimbursed in minimum increments of \$500K.
- 13 Loan Proceeds for Fixed Connector Financing.
- 14 Loan Proceeds for Bridge Grant Connector Financing.
- 18 Lease Payments include capital items for the Constellation Energy Project and use of the various Lease Lines of Credit.
- 24 \$4.1 million of CARES & ARPPA Funds Used in 2023 Budget.
- 26 Bond Cash Requirement must be met on 12/31 of every year; Bond Cash Reserve = 1/6 of Annual Budgeted Expenses + \$500,000.
- 29 Contingency reserve 5% of budgeted expenses.
- 30 Estimated Future Debt Service Estimated at \$97K Month Starting in January 2022 and ending July 2023.

Other Notes:

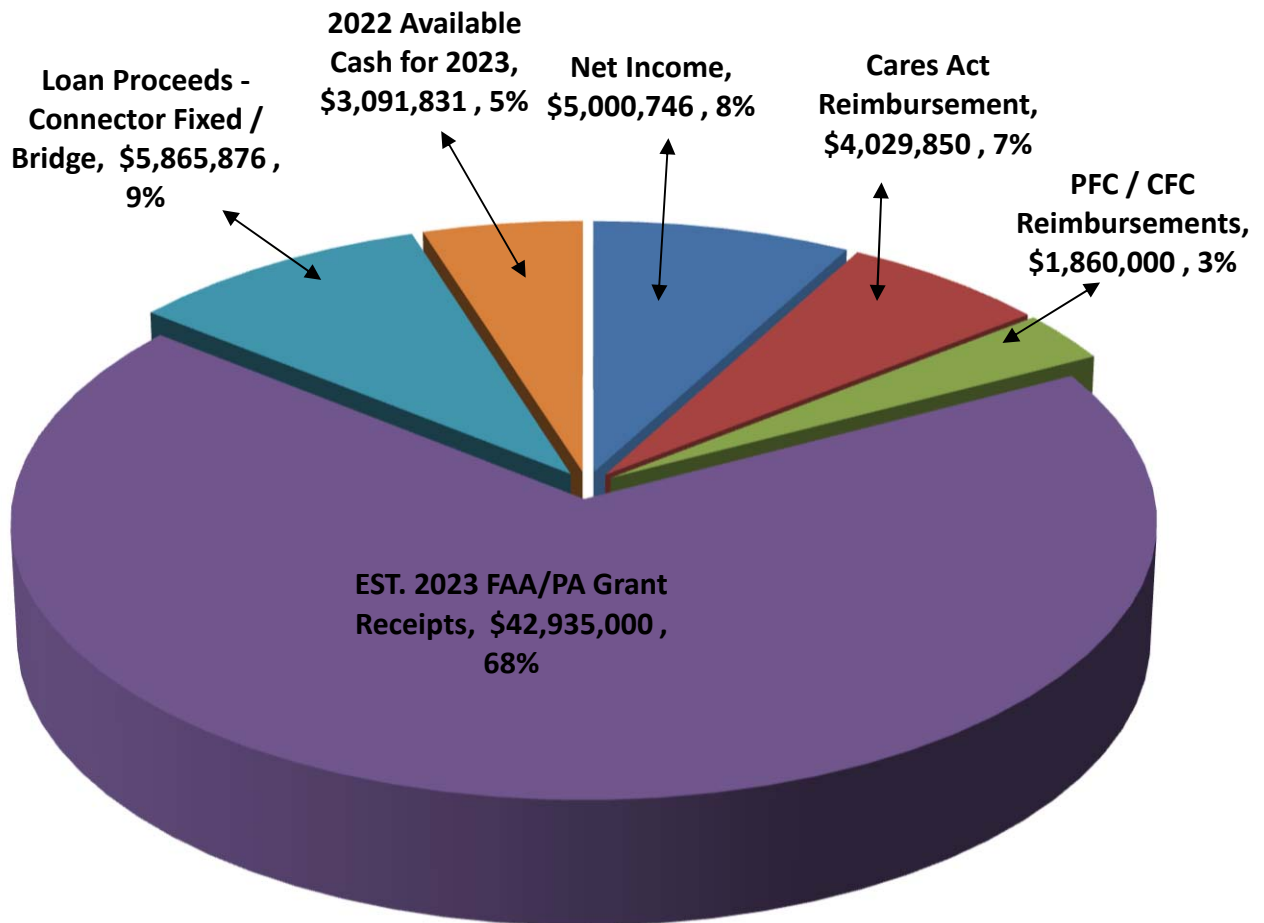
- A Bank Lines of Credit are not shown on exhibit but may be potential sources of Cash.
- B Net Changes to Receivables and Payables assumed to be zero.

# Lehigh-Northampton Airport Authority 2023 Uses of Cash



**Total Capital Resources: \$57,737,155**

## Lehigh-Northampton Airport Authority 2023 Cash Sources



**Total Available Cash: \$57,737,155**



Lehigh Valley International Airport  
Queen City Airport  
Braden Airpark

# **EXHIBITS A -B 2023 CAPITAL IMPROVEMENT PROGRAM (CIP)**

# **LEHIGH-NORTHAMPTON AIRPORT AUTHORITY**

## **2023 CAPITAL IMPROVEMENT PROGRAM (CIP)**

Entering 2023, the LNAA has continued to prioritize a Capital Improvement Program (CIP) which encompasses a significant investment and revitalization of the most important ingredient to our sustained success: infrastructure.

LNAA's CIP philosophy is imperative to maintain the highest level of safety, security, and customer service at all three airports: Lehigh Valley International Airport (LVIA), Queen City Municipal Airport (XLL) and Braden Airpark (N43).

Throughout the COVID-19 pandemic that began in 2020, the LNAA has remained vigilant in ensuring financial sustainability while prioritizing critical infrastructure needs. In 2023, LNAA will continue to invest in strategic projects required to maintain existing infrastructure, accommodate demand and capacity, and support / generate future revenue and growth opportunities.

The 2023 CIP budget presentation, Exhibit A, is prepared for ease of reference and to reflect an emphasis on major capital projects. All 2023 projects have been consolidated to one exhibit (Exhibit A) which includes Federal Aviation Administration (FAA) projects, Pennsylvania Department of Transportation (PennDOT) Bureau of Aviation grant projects, and all other funding sources, along with LNAA major non-grant projects and cumulative departmental spending.

With a total capital spend of \$53,670,376 the LNAA's share of the project funds for the 2023 CIP is \$16,055,226. Due to the timing of project expenditures and grant receipts, the 2023 cash needed for LNAA's share is \$14,270,000. This total includes the receipt of \$42,935,000 in FAA, PennDOT Bureau of Aviation, RACP and other grant funds to support the ongoing and projected projects included in the 2023 CIP.

Two major projects account for the majority of the \$53,670,376:

- Runway 6/24 Rehabilitation (\$18.5M)
- Terminal Connector/Security Checkpoint (\$11.0M)

Appropriate contingencies are included in the 2023 CIP for each relevant project (average of 10%) and are built into the 2023 Budgeted Cash Flow. The Cash Flow incorporates the most recent schedules and realistic timeframes. Exhibit B reflects departmental projections prioritized to ensure the critical components of the Airport System are addressed in order of priority.

Years 2 - 5 (2024-2027) of the five-year CIP are reflected in Exhibits C - F. Years 2 - 5 are an early projection of the timing of various anticipated future projects. The future projects are included in the Master Plan to demonstrate the ongoing grant obligations. The actual order of priority for these future projects is subject to change.



**CAPITAL IMPROVEMENT PROGRAM  
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY  
EXHIBIT A: 2023 PROJECTS**

	2023 Budgeted Capital Improvements	Total Program Cost	2023 Project Cost	Professional Services	LNAA Share	Contingency
<b>FAA &amp; STATE GRANT PROJECTS</b>						
<b>LEHIGH VALLEY INTERNATIONAL AIRPORT</b>						
1	FAA 112-2021: Rehabilitate Runway 6/24 - Phase IX (Cons)	\$12,671,797	\$6,591,309	\$246,215	\$1,542,548	\$800,000
2	FAA 117-2022: Rehabilitate Runway 6/24 - Phase X (Cons)	\$16,467,889	\$11,061,926	\$2,187,487	\$553,096	\$950,000
3	FAA: Rehabilitate Runway 6/24 - Phase XI (Construct Taxiway Fillets)	\$5,900,000	\$900,000	\$120,000	\$90,000	\$100,000
4	FAA (BIL): Parallel Taxiway D PH.I (Design)	\$640,000	\$640,000	\$640,000	\$64,000	N/A
5	FAA (BIL): Parallel Taxiway D PH.II (Construction)	\$25,000,000	\$5,833,333	\$800,000	\$583,333	\$550,000
6	FAA (BIL): Rehabilitate Taxiway A PH.I (Design)	\$18,000,000	\$250,000	\$250,000	\$25,000	N/A
7	State (BIL ATP): Terminal Connector / Security Checkpoint (Construction)	\$34,333,162	\$11,003,190	\$1,306,840	\$0	\$600,000
8	State: Acquire & Rehabilitate Passenger Boarding Bridges	\$3,400,000	\$1,800,000	\$260,000	\$0	N/A
	<b>LVIA Grant Projects Sub-Total</b>	<b>\$116,412,848</b>	<b>\$38,079,758</b>	<b>\$5,810,542</b>	<b>\$2,857,978</b>	<b>\$3,000,000</b>
<b>QUEEN CITY AIRPORT</b>						
9	FAA 29-2020: Runway 15/33 Rehabilitation - PH. I (Design)	\$340,033	\$11,097	\$11,097	\$555	N/A
10	FAA 32-2022: Runway 15/33 Rehabilitation - PH.II (Construction)	\$2,293,468	\$2,288,141	\$280,000	\$229,314	\$200,000
11	FAA: Runway 15/33 Rehabilitation - PH. III (Lighting Construction)	\$2,060,000	\$120,000	\$40,000	\$12,000	N/A
12	FAA (BIL): Construct Airfield Electrical Vault PH. I (Design)	\$180,000	\$180,000	\$180,000	\$18,000	N/A
13	FAA (BIL): Construct Airfield Electrical Vault PH.II (Construction)	\$600,000	\$60,000	\$20,000	\$6,000	N/A
	<b>Queen City Grant Projects Sub-Total</b>	<b>\$5,473,501</b>	<b>\$2,659,238</b>	<b>\$531,097</b>	<b>\$265,869</b>	<b>\$200,000</b>
14	<b>TOTAL FOR GRANT PROJECTS</b>	<b>\$121,886,349</b>	<b>\$40,738,996</b>	<b>\$6,341,639</b>	<b>\$3,123,846</b>	<b>\$3,200,000</b>
<b>MAJOR/RECURRING NON-GRANT PROJECTS</b>						
15	Commercial / Non-Aeronautical Site Development PH.I (Design)	\$2,000,000	\$200,000	\$200,000	\$200,000	N/A
16	Terminal Modernization / ADA Improvements PH.I (Design)	\$2,000,000	\$400,000	\$400,000	\$400,000	N/A
17	Replace Air Handler Unit 4 (Design & Installation)	\$200,000	\$200,000	\$50,000	\$200,000	N/A
18	Replace Hangar 9 Interior Roof Insulation (Design & Installation)	\$400,000	\$400,000	\$80,000	\$400,000	\$40,000
19	Transportation Impact Study - HOP Plans (North Cargo & Terminal)	\$500,000	\$500,000	\$500,000	\$500,000	N/A
20	Construct Parking Garage & GSE Storage Bldg. (Programming & Engineering Design)	\$4,000,000	\$3,000,000	\$3,000,000	\$3,000,000	N/A
21	Renovate Hangar 7 Restrooms (Construction)	\$530,000	\$520,000	\$100,000	\$520,000	\$55,000
22	Replace Old Departure Roof (Design)	\$150,000	\$150,000	\$150,000	\$150,000	N/A
23	Replace Old Departure HVAC Units (Design & Installation)	\$200,000	\$500,000	\$80,000	\$500,000	N/A
24	Miscellaneous Airside / Landside Pavement Rehabilitation / Repairs / Crack Sealing	\$6,000,000	\$1,470,000	\$120,000	\$1,470,000	\$120,000
25	Rehabilitate / Replace Hangar 7 Doors (Design)	\$1,500,000	\$80,000	\$80,000	\$80,000	N/A
26	Runway 13/31 Engineered Material Arresting System (EMAS) Bed Re-Seal (31 End)	\$960,200	\$480,000	N/A	\$480,000	N/A
27	Property Acquisitions	\$600,000	\$600,000	N/A	\$600,000	N/A
28	<b>TOTAL MAJOR NON-GRANT PROJECTS</b>	<b>\$19,040,200</b>	<b>\$8,500,000</b>	<b>\$4,760,000</b>	<b>\$8,500,000</b>	<b>\$215,000</b>
<b>DEPARTMENTAL EXPENSES</b>						
29	Cumulative Department Spending		\$4,431,380	N/A	\$4,431,380	N/A
30	<b>TOTAL FOR DEPARTMENTAL EXPENSES</b>		<b>\$4,431,380</b>	<b>\$0</b>	<b>\$4,431,380</b>	<b>\$0</b>
<b>2023 TOTAL CAPITAL SPEND</b>			<b>\$53,670,376</b>	<b>\$11,101,639</b>	<b>\$16,055,226</b>	<b>\$3,415,000</b>
<b>CASH FLOW ADJUSTMENTS</b>						
31	Capital Lease Payments		\$1,835,972		\$1,835,972	
32	2023 Grant Funding Receipts Associated with 2022 LNAA Share		\$1,698,652		(\$3,621,198)	
33	<b>TOTAL CASH FLOW ADJUSTMENTS</b>		<b>\$3,534,624</b>		<b>(\$1,785,226)</b>	
34	<b>2023 CASH NEEDED FOR CIP</b>		<b>\$57,205,000</b>		<b>\$14,270,000</b>	

- Notes:
- 2023 Project Cost Includes Professional Services, Grant Funding Expenditures, LNAA Share Expenditures, and Contingency values.
  - Capital Lease Payments (Line 31 above) is shown on Line 18 of Cash Flow Projection Exhibit.
  - 2023 Cash Needed for CIP (Line 34 above) is shown on Line 22 of the Cash Flow Projection Exhibit.
  - 2023 CIP was developed utilizing the 2023 Cash Flow and ideal project timelines to determine timing of grant receipts and project payouts.
  - The difference between Total Cost and LNAA Share is from FAA, PennDOT, CFC, PFC, and any other funding source required to complete the project.
  - To manage Cash Flow, all projects are fiscally constrained to ensure the monthly Cash Flow can support ongoing projects and upcoming invoices/contractor pay requests.
  - Projects listed with a PH (Phase) include design and construction continuing into 2023 and beyond. Total Program Cost (including design) is depicted for reference.
  - All Grant/Major construction projects depict the full program cost; which includes consultant fees & design (professional services), construction, construction management, as well as a total project contingency. Both professional services and project contingencies are depicted when known; otherwise are shown as the industry standard of 10% of total project cost.



**CAPITAL IMPROVEMENT PROGRAM  
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY  
EXHIBIT B: 2023 DEPARTMENTAL PROJECTS**

Project Title	Overall Cost	Department	Priority Rating	Legend	
				1	OPERATION CRITICAL
Hardware (UPS/Switches/Security/Routers) Repair/Replacement	\$340,000	IT	1	2	HIGH
Johnson Controls Panel Migrations	\$286,000	IT	1	3	REGULATORY
Hangar / Terminal HVAC Units	\$269,000	Av Leased Maint	1	4	LOW
Emergency Capital Expenditures	\$200,000	All	1		
Computer Aided Dispatch (Ops Center)	\$175,000	Operations	1		
ARFF HVAC Install	\$137,000	ARFF	1		
Rehab. Entrance/Exit Vestibule Doors (second level)	\$120,000	Landside Maintenance	1		
Fire Alarm Monitoring Software	\$100,980	Operations	1		
<i>Replace Passenger Boarding Bridge GPUs</i>	<i>\$208,702</i>	Airside Maintenance	1		
IT Servers/Licensing	\$130,000	IT	1		
Replace/Add Security Cameras	\$95,000	IT	1		
Replace Desktops/Laptops (Admin)	\$75,000	IT	1		
Airfield Lighting Control Panel & Computer Replacement	\$55,000	Airside Maintenance	1		
Parking Equipment	\$54,000	Parking	1		
New Fuel Receiving Rack - Pump and Motor	\$50,000	FBO	1		
Replace/Add Radios	\$30,000	IT	1		
Phone System Upgrade/Phone Replacements	\$25,000	IT	1		
Replace Bank Property HVAC	\$16,000	Non Av Leased Maint	1		
Fuel Farm Pressure relief valve replacement	\$15,000	FBO	1		
Server Room UPS Battery Replacement	\$7,500	IT	1		
Acquire Digital Monitors & Signage	\$650,000	Terminal	2		
<i>Replace Carpet in Wiley &amp; Departure Concourse</i>	<i>\$320,000</i>	Terminal	2		
LNAA Airport/Operational Vehicles	\$384,000	All	2		
Replace ARFF Bay Doors	\$308,400	ARFF	2		
Repaint Exterior Structure of Hangar 7	\$200,000	FBO	2		
Ground Support Equipment	\$100,000	FBO	2		
Snow Removal Equipment Building (XLL)	\$100,000	XLL FBO	2		
LNAA Maintenance Equipment	\$84,000	Airside Maintenance	2		
Replace Wheelchairs	\$22,000	Passenger Services	2		
<i>Glycol Recovery Truck / Tank Container</i>	<i>\$452,920</i>	Operations	3		
Emergency Services Equipment	\$65,000	ARFF/Police/Ops	3		
Construct Pet Relief Area	\$31,500	Landside Maintenance	3		
Replace Fire Alarm Panel MX Shop	\$25,000	ARFF	3		
Install fire pull stations and horn strobes Hangar 9 office area	\$25,000	ARFF	3		
Tricherator	\$150,000	LVAS (Allegiant)	4		
Lower Hangar Ceiling Repair/painting (XLL)	\$25,000	XLL FBO	4		
Replace Hangar 7 Furniture/Amenities - PH. II	\$20,000	FBO	4		
Floor Scrubber	\$15,000	ARFF	4		
Lightning Strike Warning Equipment	\$15,000	Operations	4		
Professional Photography / Videography	\$12,500	Marketing	4		
Intranet Site	\$12,500	Marketing	4		
Air conditioning recharge cart	\$6,000	Airside Maintenance	4		
<b>TOTAL LNAA COST</b>	<b>\$5,413,002</b>				
<b>ELIGIBLE FOR GRANT REIMBURSEMENT</b>	<b>-\$981,622</b>				
<b>TOTAL 2023 BUDGETED COST</b>	<b>\$4,431,380</b>				

NOTES			
2023 Cumulative Department Spending (Exhibit A)	Rating		Cost
	<b>\$4,431,380</b>	1	OPERATION CRITICAL
2		HIGH	\$2,168,400
3		REGULATORY	\$599,420
4		LOW	\$256,000

\* 2023 Cumulative Department Spending Depicted above and on Exhibit A is the subtotal of 1, 2, 3, and 4 projects.



Lehigh Valley International Airport  
Queen City Airport  
Braden Airpark

# **EXHIBITS C - F PROJECTED CIP YEARS 2024-2027**





**CAPITAL IMPROVEMENT PROGRAM  
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY  
EXHIBIT C: 2024**

2024 Projected Capital Improvements	Total Cost	LNA Share
<b>FAA &amp; STATE GRANT PROJECTS</b>		
<b>LEHIGH VALLEY INTERNATIONAL AIRPORT</b>		
FAA: Rehabilitate Taxiway A - PH.II (West Construction)	\$8,600,000	\$860,000
FAA: Rehabilitate Taxiway A Lighting - PH.I (West Construction)	\$2,200,000	\$220,000
FAA: Rehabilitate Air Carrier Apron - PH.I (Design)	\$700,000	\$70,000
FAA: Terminal Roadway Rehabilitation - PH.I (Construction)	\$2,452,000	\$246,000
FAA: Re-align Airport Access & Terminal Roadway - PH. I (Design)	\$800,000	\$80,000
FAA: Terminal Modernization/ADA Improvements - PH.I (Design/Construction)	\$2,105,000	\$105,000
State: Commercial / Non-Aeronautical Site Development - PH.II (Construction)	\$3,000,000	\$1,500,000
<b>LVA Grant Projects Sub-Total</b>	<b>\$19,857,000</b>	<b>\$3,081,000</b>
<b>QUEEN CITY AIRPORT</b>		
FAA: Rehabilitate/Reconstruct Taxiway A - Feasibility Study & CATEX - PH.I (Design)	\$167,000	\$17,000
FAA: Install Runway 15-33 PAPs - PH.I (Design/Construction)	\$180,000	\$18,000
State: Construct Fuel Farm - PH. I (Design)	\$125,000	\$62,500
<b>Queen City Grant Projects Sub-Total</b>	<b>\$472,000</b>	<b>\$97,500</b>
<b>BRADEN AIRPARK</b>		
State: Construct T-Hangars - PH. I (Design)	\$300,000	\$150,000
<b>Braden Airpark Grant Projects Sub-Total</b>	<b>\$300,000</b>	<b>\$150,000</b>
<b>TOTAL FOR GRANT PROJECTS</b>	<b>\$20,629,000</b>	<b>\$3,328,500</b>
<b>MAJOR/RECURRING NON-GRANT PROJECTS</b>		
Construct Parking Garage & GSE Storage Bldg. - PH. II (Design)	\$2,000,000	\$2,000,000
Hangar 7 Door Replacement (Construction)	\$1,500,000	\$1,500,000
Replace Admin & Hangar 7 Windows	\$1,000,000	\$1,000,000
Rehabilitate ABE T-Hangars (Doors, Roof, Paint, etc.)	\$1,000,000	\$1,000,000
Miscellaneous Airside / Landside Pavement Rehabilitation / Repairs / Crack Sealing	\$1,000,000	\$1,000,000
<b>TOTAL MAJOR NON-GRANT PROJECTS</b>	<b>\$6,500,000</b>	<b>\$6,500,000</b>
<b>DEPARTMENTAL EXPENSES</b>		
Cumulative Department Spending	\$3,000,000	\$3,000,000
<b>TOTAL FOR DEPARTMENTAL EXPENSES</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>
<b>2024 GRAND TOTAL</b>	<b>\$30,129,000</b>	<b>\$12,828,500</b>



**CAPITAL IMPROVEMENT PROGRAM  
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY  
EXHIBIT D: 2025**

2025 Projected Capital Improvements	Total Cost	LNA A Share
<b>FAA &amp; STATE GRANT PROJECTS</b>		
<b>LEHIGH VALLEY INTERNATIONAL AIRPORT</b>		
FAA: Rehabilitate Taxiway A - PH.III (Mid Construction)	\$2,800,000	\$280,000
FAA: Rehabilitate Taxiway A Lighting - PH.II (Mid Construction)	\$645,000	\$65,000
FAA: Rehabilitate Air Carrier Apron - PH.II (Construction)	\$6,500,000	\$650,000
FAA: Acquire (2) SRE Multi-Purpose Plow & Broom Units	\$1,600,000	\$160,000
State: Re-align Airport Access & Terminal Roadway - PH.II (Construction)	\$10,000,000	\$5,000,000
<b>LVIA Grant Projects Sub-Total</b>	<b>\$21,545,000</b>	<b>\$6,155,000</b>
<b>QUEEN CITY AIRPORT</b>		
FAA: Rehabilitate/Reconstruct Taxiway A - PH.II (Design)	\$650,000	\$65,000
FAA: Terminal Improvements & Expansion - PH.I (Design)	\$700,000	\$35,000
State: Construct Fuel Farm - PH. II (Design)	\$125,000	\$62,500
<b>Queen City Grant Projects Sub-Total</b>	<b>\$1,475,000</b>	<b>\$162,500</b>
<b>BRADEN AIRPARK</b>		
State: Construct T-Hangars - PH. II (Construction)	\$1,250,000	\$625,000
<b>Braden Airpark Grant Projects Sub-Total</b>	<b>\$1,250,000</b>	<b>\$625,000</b>
<b>TOTAL FOR GRANT PROJECTS</b>	<b>\$24,270,000</b>	<b>\$6,942,500</b>
<b>MAJOR/RECURRING NON-GRANT PROJECTS</b>		
Construct Parking Garage & GSE Storage Bldg. - PH.III (Construction)	\$20,000,000	\$12,500,000
Rehab. Interior Passenger Vestibules & Doors - Lower Level	\$300,000	\$300,000
Replace Maintenance Facility Fuel Tanks - PH.I	\$1,000,000	\$1,000,000
Rehabilitate/Replace Roofs (Bank, 995, 997, H1)	\$1,000,000	\$1,000,000
Construct FBO Building - PH.I (Design)	\$800,000	\$800,000
Miscellaneous Airside / Landside Pavement Rehabilitation / Repairs / Crack Sealing	\$1,000,000	\$1,000,000
<b>TOTAL MAJOR NON-GRANT PROJECTS</b>	<b>\$24,100,000</b>	<b>\$16,600,000</b>
<b>DEPARTMENTAL EXPENSES</b>		
Cumulative Department Spending	\$3,000,000	\$3,000,000
<b>TOTAL FOR DEPARTMENTAL EXPENSES</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>
<b>2025 GRAND TOTAL</b>	<b>\$51,370,000</b>	<b>\$26,542,500</b>



**CAPITAL IMPROVEMENT PROGRAM  
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY  
EXHIBIT E: 2026**

2026 Projected Capital Improvements	Total Cost	LNAA Share
<b>FAA &amp; STATE GRANT PROJECTS</b>		
<b>LEHIGH VALLEY INTERNATIONAL AIRPORT</b>		
FAA: Rehabilitate Taxiway A - PH.IV (East Construction)	\$4,400,000	\$440,000
FAA: Rehabilitate Taxiway A Lighting - PH.III (East Construction)	\$530,000	\$53,000
FAA: Rehabilitate Runway 13-31 - PH.I (Design)	\$1,500,000	\$150,000
FAA: Improve Airport Drainage	\$965,000	\$97,000
FAA: Rehabilitate/Expand Hangar 9 Apron - PH.I (Design)	\$400,000	\$40,000
<b>LVIA Grant Projects Sub-Total</b>	<b>\$7,795,000</b>	<b>\$780,000</b>
<b>QUEEN CITY AIRPORT</b>		
FAA: Rehabilitate/Reconstruct Taxiway A - PH.III (Construction)	\$3,200,000	\$320,000
State: Terminal Improvements & Expansion - PH.II(Construction)	\$4,000,000	\$2,000,000
State: Construct Fuel Farm - PH. III (Construction)	\$1,050,000	\$525,000
State: Construct Hangars (T & Box Type) - PH. I (Design)	\$864,000	\$432,000
<b>Queen City Grant Projects Sub-Total</b>	<b>\$9,114,000</b>	<b>\$3,277,000</b>
<b>BRADEN AIRPARK</b>		
State: Construct T-Hangars - PH. III (Construction)	\$1,250,000	\$625,000
<b>Braden Airpark Grant Projects Sub-Total</b>	<b>\$1,250,000</b>	<b>\$625,000</b>
<b>TOTAL FOR GRANT PROJECTS</b>	<b>\$18,159,000</b>	<b>\$4,682,000</b>
<b>MAJOR/RECURRING NON-GRANT PROJECTS</b>		
Construct Parking Garage & GSE Storage Bldg. - PH. IV (Construction)	\$20,000,000	\$12,500,000
Rehabilitate Maintenance Facility Parking Lot	\$1,000,000	\$1,000,000
Replace Maintenance Facility Underground Fuel Tanks - PH.II	\$2,000,000	\$2,000,000
Miscellaneous Airside / Landside Pavement Rehabilitation / Repairs / Crack Sealing	\$1,000,000	\$1,000,000
<b>TOTAL MAJOR NON-GRANT PROJECTS</b>	<b>\$24,000,000</b>	<b>\$16,500,000</b>
<b>DEPARTMENTAL EXPENSES</b>		
Cumulative Department Spending	\$3,000,000	\$3,000,000
<b>TOTAL FOR DEPARTMENTAL EXPENSES</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>
<b>2026 GRAND TOTAL</b>	<b>\$45,159,000</b>	<b>\$24,182,000</b>



**CAPITAL IMPROVEMENT PROGRAM  
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY  
EXHIBIT F: 2027**

2027 Projected Capital Improvements	Total Cost	LNAA Share
<b>FAA &amp; STATE GRANT PROJECTS</b>		
<b>LEHIGH VALLEY INTERNATIONAL AIRPORT</b>		
FAA: Rehabilitate Runway 13-31 - PH.II (Construction)	\$9,000,000	\$900,000
FAA: Acquire Electric Ground Support Equipment	\$500,000	\$50,000
FAA: Construct SRE Building - PH.I (Design)	\$1,000,000	\$100,000
FAA: Land Acquisition (ALP & RPZ)	\$1,500,000	\$150,000
FAA: Rehabilitate/Expand Hangar 9 Apron - PH.II (Construction)	\$6,000,000	\$600,000
State: Construct Rental Car QTA - PH.I (Design)	\$1,000,000	\$500,000
<b>LVIA Grant Projects Sub-Total</b>	<b>\$19,000,000</b>	<b>\$2,300,000</b>
<b>QUEEN CITY AIRPORT</b>		
FAA: Rehabilitate/Reconstruct Taxiway A - PH.IV (Construction)	\$3,200,000	\$320,000
State: Construct Hangars (T & Box Type) - PH. II (Construction)	\$3,700,500	\$1,850,250
State: Construct Fuel Farm - PH. IV (Construction)	\$1,050,000	\$525,000
<b>Queen City Grant Projects Sub-Total</b>	<b>\$7,950,500</b>	<b>\$2,695,250</b>
<b>BRADEN AIRPARK</b>		
State: Misc. Hangar Repairs	\$100,000	\$100,000
<b>Braden Airpark Grant Projects Sub-Total</b>	<b>\$100,000</b>	<b>\$100,000</b>
<b>TOTAL FOR GRANT PROJECTS</b>	<b>\$27,050,500</b>	<b>\$5,095,250</b>
<b>MAJOR/RECURRING NON-GRANT PROJECTS</b>		
Construct FBO Building - PH. II Construction	\$15,000,000	\$7,500,000
Miscellaneous Airside / Landside Pavement Rehabilitation / Repairs / Crack Sealing	\$1,000,000	\$1,000,000
<b>TOTAL MAJOR NON-GRANT PROJECTS</b>	<b>\$16,000,000</b>	<b>\$8,500,000</b>
<b>DEPARTMENTAL EXPENSES</b>		
Cumulative Department Spending	\$3,000,000	\$3,000,000
<b>TOTAL FOR DEPARTMENTAL EXPENSES</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>
<b>2027 GRAND TOTAL</b>	<b>\$46,050,500</b>	<b>\$16,595,250</b>
<b>5-YEAR CAPITAL IMPROVEMENT PLAN</b>	<b>Total Cost</b>	<b>LNAA Share</b>
	<b>\$229,913,500</b>	<b>\$94,418,250</b>



Lehigh Valley International Airport  
Queen City Airport  
Braden Airpark

## APPENDIX A

**TABLE 1**  
**LEHIGH-NORTHAMPTON AIRPORT AUTHORITY**  
**LEHIGH VALLEY AIRPORT SYSTEM**  
**OPERATING EXPENSES**

<b>Operating Expenses</b>	<b>Budget</b>	<b>Budget</b>
	<b>2023</b>	<b>2022</b>
Salaries and Wages	\$ 9,905,022	\$ 9,093,204
Payroll Taxes	747,234	674,279
Employee Benefits	4,205,264	3,409,237
<b>Subtotal - Personnel Costs</b>	<b>\$ 14,857,520</b>	<b>\$ 13,176,720</b>
Professional Services	474,684	298,550
Legal Services	314,700	533,000
Audit and Financial Services	84,200	73,200
Public Relations	92,200	68,275
Contract Services	1,927,210	1,189,535
Advertising Expense	386,750	269,060
Recruiting Expense	43,400	40,000
Printing	11,720	14,020
Postage	4,290	5,140
Dues and Subscriptions	804,349	653,214
Office Supplies	42,140	40,542
Telephone	153,904	131,770
Training and Seminars	163,350	123,720
Business and Travel Related	133,183	102,770
Hospitality	40,669	26,084
Equipment Rental	494,399	694,376
Materials & Supplies	827,534	642,466
Maintenance Repairs	817,980	702,352
Heating Gas & Oil	400,100	370,163
Electricity	1,187,900	741,514
Water	171,400	119,458
Refuse Collection	51,332	42,997
Uniforms	71,044	70,954
Insurance	685,577	651,525
Real Estate Taxes	271,200	271,200
Payment in Lieu of Taxes	594,330	533,527
Credit Card Fees	183,217	170,175
Bad Debt Expense	-	-
Miscellaneous	10,620	12,768
<b>Subtotal Other Operating Expenses</b>	<b>\$ 10,443,382</b>	<b>\$ 8,592,355</b>
<b>LESS: Federal Funds Applied to O&amp;M</b>	<b>\$ (3,600,000)</b>	<b>\$ (2,100,000)</b>
<b>Total Operating Expenses<sup>1 2</sup></b>	<b>\$ 21,700,902</b>	<b>\$ 19,669,075</b>
<b>COST OF SALES - NOT ALLOCATED</b>		
Cost of Sales - Aviation Services	6,954,827	4,987,495
Cost of Sales - GA Airports	1,065,068	981,187
<b>Subtotal Cost of Sales</b>	<b>\$ 8,019,895</b>	<b>\$ 5,968,682</b>
<b>Total Operating Expenses and COS</b>	<b>\$ 29,720,797</b>	<b>\$ 25,637,757</b>
<b>Total Operating Expense Allocation</b>		
Airfield	\$ 5,923,435	\$ 5,567,279
Terminal	7,820,314	6,336,110
Parking and Roadways	1,551,503	1,588,380
Aviation Leased Areas	675,284	1,287,918
Non-Aviation Leased Areas	435,626	497,815
Aviation Services	3,029,422	1,679,827
GA Airports	823,725	541,495
Advertising	108,985	100,758
Administration	4,932,608	4,169,493
Federal Relief Funds Applied to O&M	(3,600,000)	(2,100,000)
<b>Total Operating Expenses<sup>1 2</sup></b>	<b>\$ 21,700,902</b>	<b>\$ 19,669,075</b>

Source: Authority Management.

<sup>1</sup> GA Airport and public relations expenses included in this total.

<sup>2</sup> O&M Expenses include \$1.3 million in one time demolition, events, and legal fees to be incurred in 2023 only.

**TABLE 2**  
**LEHIGH-NORTHAMPTON AIRPORT AUTHORITY**  
**LEHIGH VALLEY AIRPORT SYSTEM**  
**OPERATING REVENUES**

<b>OPERATING REVENUE</b>	<b>Budget 2023</b>	<b>Budget 2022</b>
<b>Airfield:</b>		
Landing Fees	\$ 5,125,522	\$ 5,178,335
Apron Parking Fees	962,984	958,923
Bus Parking Fees	263,536	-
Security	79,746	72,408
<b>Total Airfield Fees</b>	<b>\$ 6,431,787</b>	<b>\$ 6,409,666</b>
<b>Terminal:</b>		
Airline Rent	\$ 5,343,923	\$ 4,861,061
Passenger Support Services	950,554	752,211
Concession & Other Rents <sup>1</sup>	670,890	616,427
Rental Cars	1,828,440	1,629,800
Restaurant/Newsstand	429,088	255,822
Other	37,290	38,600
Utility Fees & Other	30,000	31,420
<b>Total Terminal Rents</b>	<b>\$ 9,290,185</b>	<b>\$ 8,185,341</b>
<b>Parking &amp; Roadways</b>	<b>\$ 6,069,556</b>	<b>\$ 5,385,494</b>
<b>Aviation Leased Areas:</b>		
Hangar 1 Rental	\$ 62,729	\$ 59,800
Hangar 2 Rental	39,694	37,820
Hangar 3 Rental	462,265	446,336
Hangar 5 Rental	25,800	25,183
Hangar 7 Rental	344,370	356,760
Hangar 8 Rental	194,501	118,231
Hangar 9 Rental	857,047	799,010
Hangar 10 Rental	625,476	461,166
Hangar 11 Rental	802,601	569,699
T-Hangars	213,292	212,424
Air Cargo Building & Land Rents	251,453	298,071
Ramp, Gatecard Fees, and Other Income	60,744	55,523
<b>Total Aviation Leased Areas</b>	<b>\$ 3,939,972</b>	<b>\$ 3,440,023</b>
<b>Non-Aviation Leased Areas:</b>		
Building Rents	\$ 572,958	\$ 540,538
Land Rentals	509,780	143,850
<b>Total Non-Aviation Rents</b>	<b>\$ 1,082,738</b>	<b>\$ 684,388</b>
<b>Aviation Services:</b>		
Gross Fuel Sales	\$ 2,884,250	\$ 1,893,656
Landing Fees	364,954	218,500
Into Plan Fees	3,679,924	3,104,437
Hangar & Ramp Rentals	369,690	244,400
Ground Handling and Other	1,921,172	1,483,230
Miscellaneous Income	418,025	114,681
<b>Total Aviation Services</b>	<b>\$ 9,638,015</b>	<b>\$ 7,058,904</b>
<b>Advertising:</b>		
Advertising	\$ 477,513	\$ 302,357
<b>Total Advertising</b>	<b>\$ 477,513</b>	<b>\$ 302,357</b>
<b>GA Airports:</b>		
Hangar & Ramp Rentals	\$ 614,646	\$ 654,914
Fuel Sales - FBO	556,140	436,739
Into Plane Fees - FBO	120,950	159,000
Pilot Supplies Sales	300	300
Miscellaneous Income	9,317	9,317
<b>Total GA Airports</b>	<b>\$ 1,301,353</b>	<b>\$ 1,260,270</b>
<b>Federal Funds Applied to Debt Service</b>	<b>\$ -</b>	<b>\$ 1,668,737</b>
<b>Total Operating Revenue <sup>2</sup></b>	<b>\$ 38,231,119</b>	<b>\$ 34,395,180</b>

Source: Authority Management.

<sup>1</sup> Terminal security fees now included in concessions and other rents.

<sup>2</sup> GA Airport revenues included in this total.

**TABLE 3**  
**LEHIGH-NORTHAMPTON AIRPORT AUTHORITY**  
**LEHIGH VALLEY AIRPORT SYSTEM**  
**LANDING FEE RATE**

<b>Landing Fee Rate</b>	<b>Budget 2023</b>	<b>Budget 2022</b>
Direct Operating Expenses	\$ 5,923,435	\$ 5,567,279
Indirect Operating Expenses	999,622	1,013,237
O&M Reserve Requirement <sup>1</sup>	28,545	90,253
Debt Service	17,195	23,846
Debt Service Coverage	4,299	5,961
Amortization of Capital Expenditures	<u>663,782</u>	<u>519,094</u>
Total Requirement	\$ 7,636,877	\$ 7,219,671
LESS: Federal Funds Applied to Debt Service <sup>2</sup>	-	6,659
LESS: Apron Expenses <sup>3</sup>	692,306	658,052
LESS: Apron O&M Reserve	2,855	-
LESS: Previous Year's Debt Service Coverage	5,961	4,217
LESS: World Fuel Annual Incentive	-	200,000
LESS: Security Fee (35%)	79,746	72,408
LESS: Federal Relief Funds <sup>2</sup>	<u>1,500,000</u>	<u>1,100,000</u>
Net Requirement	<u>\$ 5,356,010</u>	<u>\$ 5,178,335</u>
Total Airline Landed Weight (000 lbs.)	1,109,053	1,074,074
Airline Landing Fee Rate (per 1,000 lbs.) <sup>4</sup>	\$ 4.83	\$ 4.82
Airline Landing Fees	\$ 5,356,010	\$ 5,178,335

<sup>1</sup> Represents 2 months (1/6) of the incremental change in O&M Expenses.

<sup>2</sup> Federal funds applied in the 2023 Budget calculation represent the maximum amount to be used, however, the amount is not guaranteed.

<sup>3</sup> Equals 10% of Direct and Indirect Airfield expenses.

<sup>4</sup> This represents the signatory rate. A 7 percent surcharge will be added for nonsignatory activity.



**TABLE 4**  
**LEHIGH-NORTHAMPTON AIRPORT AUTHORITY**  
**LEHIGH VALLEY AIRPORT SYSTEM**  
**APRON FEE**

<b>Apron Fee</b>	<b>Budget 2023</b>	<b>Budget 2022</b>
Direct Operating Expenses	\$ 692,306	\$ 658,052
O&M Reserve Requirement <sup>1</sup>	2,855	-
Amortization of Capital Expenditures	72,788	72,788
<b>Total Requirement</b>	<b>\$ 767,948</b>	<b>\$ 730,840</b>
LESS: Federal Relief Funds	\$ -	\$ -
LESS: Non-Signatory Paid Premiums/Diversions	-	-
<b>Net Requirement</b>	<b>\$ 767,948</b>	<b>\$ 730,840</b>
Total Airline Landed Weight	1,109,053	1,074,074
<b>Annual Passenger Carrier Apron Fee <sup>2</sup></b>	<b>\$ 0.69</b>	<b>\$ 0.68</b>
<u>Cargo Carrier Surcharge</u>		
Amortization for Cargo Apron	\$ 228,083	\$ 228,083
Cargo Landed Weight	655,327	603,639
Cargo Carrier Surcharge	\$ 0.35	\$ 0.38
<b>Annual Cargo Carrier Apron Fee</b>	<b>\$ 1.04</b>	<b>\$ 1.06</b>
<b>Total Apron Requirement</b>	<b>\$ 996,032</b>	<b>\$ 958,923</b>

<sup>1</sup> Represents 2 months (1/6) of the incremental change in O&M Expenses.

<sup>2</sup> This represents the signatory rate. A 7 percent surcharge will be added for nonsignatory space.

**TABLE 5**  
**LEHIGH-NORTHAMPTON AIRPORT AUTHORITY**  
**LEHIGH VALLEY AIRPORT SYSTEM**  
**TERMINAL RENTAL RATE**

<b>Terminal Rental Rate</b>	<b>Budget 2023</b>	<b>Budget 2022</b>
Direct Operating Expenses	\$ 7,820,314	\$ 6,336,110
Indirect Operating Expenses	1,448,696	1,226,262
O&M Reserve Requirement <sup>1</sup>	142,220	121,671
Debt Service	2,014,492	1,835,487
Debt Service Coverage	503,623	458,872
Amortization of Capital Expenditures	<u>1,428,731</u>	<u>916,130</u>
Total Requirement	\$ 13,358,075	\$ 10,894,532
LESS: Federal Funds Applied to Debt Service <sup>2</sup>	-	512,538
LESS: Previous Year's Debt Service Coverage	458,872	209,758
LESS: Passenger Support Services <sup>3</sup>	950,554	752,211
LESS: Security Fee (65%)	148,099	134,472
LESS: Federal Relief Funds <sup>2</sup>	<u>600,000</u>	<u>1,000,000</u>
Net Requirement	<u>\$ 11,200,550</u>	<u>\$ 8,285,552</u>
Total Rentable Space	78,944	78,944
Total Administrative Space	<u>5,877</u>	<u>5,877</u>
Total Rentable and Admin Space	84,821	84,821
Common Use Space	45,970	45,970
Exclusive Space	<u>8,816</u>	<u>8,816</u>
Airline Rented Space	54,786	54,786
Airline Terminal Rental Revenue Before Revenue Share	\$ 7,618,923	\$ 5,636,061
Additional Revenue Support: Federal Relief Funds	(1,500,000)	-
Voluntary Airport Adjustment (Revenue Share)	<u>(775,000)</u>	<u>(775,000)</u>
Airline Terminal Rental Revenue	\$ 5,343,923	\$ 4,861,061
Terminal Rental Revenue - Common Use (subject to 60/40 Split)	\$ 4,484,022	\$ 4,078,858
Terminal Rental Revenue - Exclusive Space	<u>859,901</u>	<u>782,203</u>
Total Airline Terminal Rental Revenue	\$ 5,343,923	\$ 4,861,061
Blended Terminal Rental Rate	\$ 97.54	\$ 88.73
Wiley Space Terminal Rental Rate <sup>4</sup>	\$ 38.02	\$ 28.13
Main Terminal Rental Rate <sup>5</sup>	\$ 105.91	\$ 96.34

<sup>1</sup> Represents 2 months (1/6) of the incremental change in O&M Expenses.

<sup>2</sup> Federal funds applied in the 2023 Budget calculation represent the maximum amount to be used, however, the amount is not guaranteed.

<sup>3</sup> Represents the charges associated with customer service in the Airport (ex. Curbside check in assistance).

<sup>4</sup> Wiley Space is charged at 31.7% of the other Terminal space. The Blended Terminal Rate calculates a rate based on all space being treated equally. The Main Terminal Rental Rate is the rental rate charged for the main terminal space.

<sup>5</sup> This represents the signatory rate. A 7 percent surcharge will be added for nonsignatory space.

**TABLE 6**  
**LEHIGH-NORTHAMPTON AIRPORT AUTHORITY**  
**LEHIGH VALLEY AIRPORT SYSTEM**  
**COMMON USE REVENUE CALCULATION**

<b>Common Use Calculation</b>	<b>Budget</b>	
	<b>2022</b>	<b>2022</b>
Common Use Requirement	\$ 4,484,022	\$ 4,078,858
60% of Requirement	\$ 2,690,413	\$ 2,447,315
Scheduled Enplanements <sup>1</sup>	410,160	413,147
Budgeted Fee per Enplanement	\$ 6.56	\$ 5.92
40% of Requirement	\$ 1,793,609	\$ 1,631,543
Scheduled Operations <sup>1</sup>	4,654	5,930
Budgeted Fee per Passenger Operations	\$ 385.39	\$ 275.14
<b>Projected By Airline</b>		
Allegiant	\$ 2,049,872	\$ 1,425,591
American	1,184,933	972,867
Delta	748,437	1,029,168
United	500,780	651,232
<b>Total</b>	<b>\$ 4,484,022</b>	<b>\$ 4,078,858</b>

<sup>1</sup> Does not include bus service or charters.

<sup>2</sup> Budget assumes no common use fees for bus service until checkpoint is utilized.

**TABLE 7**  
**LEHIGH-NORTHAMPTON AIRPORT AUTHORITY**  
**LEHIGH VALLEY AIRPORT SYSTEM**  
**EXCLUSIVE USE REVENUE CALCULATION**

<b>Common Use Calculation</b>	<b>Budget</b>	
	<b>2023</b>	<b>2022</b>
Exclusive Space Requirement	\$ 859,901	\$ 782,203
Exclusive Space by Airline		
Allegiant	3,612	3,612
American	2,378	2,378
Delta	1,585	1,585
United	1,240	1,240
<b>Total</b>	<b>8,816</b>	<b>8,816</b>
Projected By Airline		
Allegiant	\$ 352,320	\$ 320,485
American	231,978	211,017
Delta	154,628	140,656
United	120,976	110,045
<b>Total</b>	<b>\$ 859,901</b>	<b>\$ 782,203</b>

**TABLE 8**  
**LEHIGH-NORTHAMPTON AIRPORT AUTHORITY**  
**LEHIGH VALLEY AIRPORT SYSTEM**  
**PASSENGER AIRLINE COST PER ENPLANEMENT**

<b>Airline Cost per Enplanement</b>	<b>Budget</b>	
	<b>2023</b>	<b>2022</b>
Passenger Airline Landing Fees <sup>1</sup>	\$ 1,960,715	\$ 2,268,067
Airline Terminal Rents	5,343,923	4,861,061
Passenger Airline Apron Revenue <sup>1</sup>	281,129	320,102
Passenger Support Services	950,554	752,211
Security Surcharge <sup>2</sup>	227,845	206,881
<b>Total Airline Revenues</b>	<b>\$ 8,764,165</b>	<b>\$ 8,408,321</b>
Enplanements	455,689	413,761
<b>Airline Cost Per Enplanement</b>	<b>\$ 19.23</b>	<b>\$ 20.32</b>

<sup>1</sup> Cargo landing fees and apron fees not included.

<sup>2</sup> Security Surcharge is \$0.50 per enplaned passenger. Budget assumes no passenger security fees for bus service until checkpoint is utilized.

<sup>3</sup> Does not include ground handling fees paid by Allegiant.

**TABLE 9**  
**LEHIGH-NORTHAMPTON AIRPORT AUTHORITY**  
**LEHIGH VALLEY AIRPORT SYSTEM**  
**CASH FLOW**

<b>Cash Flow and Net Revenue Requirement</b>	<b>Budget</b>	
	<b>2023</b>	<b>2022</b>
Airline Landing Fees	\$ 5,125,522	\$ 5,178,335
Airline Apron Fees	962,984	958,923
Airline Terminal Rentals <sup>1</sup>	5,343,923	4,861,061
Nonairline Revenues <sup>2</sup>	18,778,795	15,759,442
Federal Funds Applied to Debt Service	-	1,668,737
Operating Revenues <sup>2</sup>	\$ 30,211,224	\$ 28,426,498
Operating Expenses	25,300,902	21,769,075
CARES Act Funds Applied to O&M Expenses	(3,600,000)	(2,100,000)
Net Operating Income	\$ 8,510,322	\$ 8,757,423
Debt Service	\$ 5,184,841	\$ 5,976,036
O&M Reserve Requirement	588,638	634,974
Renewal and Replacement Requirement	-	-
Subordinated Indebtedness	-	-
Deposit to General Fund Before Capital Expenditures	2,736,843	2,146,414
Net Operating Income	\$ 8,510,322	\$ 8,757,423
Plus: Transfers		
Coverage from Landing Fee	4,299	5,961
Coverage from Terminal Rate	325,292	296,387
Transfers	-	-
Net Revenues	\$ 8,839,912	\$ 9,059,772
Debt Service	\$ 5,184,841	\$ 5,976,036
Net Revenue Requirement <sup>3</sup>	1.70	1.52

<sup>1</sup> Includes per turn revenue.

<sup>2</sup> Net of cost of sales.

<sup>3</sup> The Net Revenue Requirement per the bond covenant established that the Net Revenue Requirement ratio has to be at least 1.25 the Aggregate Debt Service for such period.

**TABLE 10**  
**LEHIGH-NORTHAMPTON AIRPORT AUTHORITY**  
**PASSENGER AIRLINE COST PER ENPLANEMENT**  
**Based on 2022 Budgeted Rates**

<b>Airline Cost per Enplanement</b>	<b>Allegiant <sup>1</sup></b>	<b>American</b>	<b>Delta</b>	<b>United</b>
Passenger Airline Landing Fees	\$ 1,002,593	\$ 478,866	\$ 311,686	\$ 159,340
Airline Terminal Rents	2,402,192	1,416,911	903,064	621,756
Passenger Airline Apron Revenue	143,752	68,660	44,690	22,846
Passenger Support Services	472,702	222,198	125,012	129,591
Security Surcharge <sup>2</sup>	113,305	53,260	29,965	31,063
<b>Total Airline Revenues</b>	<b>\$ 4,134,545</b>	<b>\$ 2,239,895</b>	<b>\$ 1,414,418</b>	<b>\$ 964,595</b>
Enplanements	226,610	106,520	59,930	62,125
% Change from 2022 Budget	27.1%	25.3%	-33.5%	4.0%
<b>Airline Cost Per Enplanement</b>	<b>\$ 18.25</b>	<b>\$ 21.03</b>	<b>\$ 23.60</b>	<b>\$ 15.53</b>
% Change from 2022 Budget	1.3%	-9.3%	6.9%	-24.1%

<sup>1</sup> CPE does not include fees paid for ground handling services.

<sup>1</sup> Security Surcharge is \$0.50 per enplaned passenger.

**TABLE 11**  
**LEHIGH-NORTHAMPTON AIRPORT AUTHORITY**  
**LEHIGH VALLEY AIRPORT SYSTEM**  
**GROUND HANDLING FEE PER TURN**

<b>Ground Handling Fee per Turn</b>	<b>Budget 2023</b>	<b>Budget 2022</b>
<b><u>Estimated Ground Handling Fee</u></b>		
Estimated Salary Cost Per Hour	\$ 24.54	\$ 21.53
Benefits/Payroll Tax %	54%	54%
Est. Hours per Turn	18	18
Est. Non Salary Expense %	15%	15%
<b>Estimated Ground Handling Fee per Turn</b>	<b><u>\$ 782.29</u></b>	<b><u>\$ 686.34</u></b>
<b>Additional Services (Lav, Catering, RON Cleaning) Cost per Turn</b>	<b>\$ 60.00</b>	<b>\$ 50.00</b>
<b>Total Fees per Turn</b>	<b>\$ 842.29</b>	<b>\$ 736.34</b>



## LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

### BOND RATE MAINTENANCE COVENANT

Under the covenant the Authority agrees that it shall at all times fix, revise, charge and collect rentals, rates, fees and other charges for the use of the Airport in order that in each Fiscal Year the Net Revenues shall at least equal 1.25 times the Aggregate Debt Service for such period.

The 2023 Budget is set at a rate of 1.70 times the aggregate debt service. Following is that computation:

* Net Revenues	\$	8,839,912
** Aggregate Debt Service	\$	5,184,841
Coverage: Net Revenues / Aggregate Debt Service	\$	1.70

\* Refer to Appendix A, Table 9 of the Rates and Charges for the calculation of this number

\*\* Annual amount to be deposited to cover the annual Debt Service requirement.  
Payments are made in equal monthly installments to trustee.