



Lehigh Valley International Airport  
Queen City Airport  
Braden Airpark

**2024**

# **OPERATING AND CAPITAL BUDGETS**



**APPROVED NOVEMBER 28, 2023**



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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).

Following nearly three years since the start of the COVID-19 Pandemic (the Pandemic), President Biden declared May 11, 2023 as the official date for the end of the Pandemic. LNAA started to see significant return in enplanement activity with 2023 Budget forecasted to be 456,000, which was slightly under the actual FY2019 enplanement level of 458,000. The 2024 Budget anticipates continued growth with enplanement levels forecast to be approximately 465,000 which exceeds pre-pandemic levels. In contrast, the landed weights show not as quick a return to pre-pandemic levels, anticipating budgeted levels for 2023 1,109.1 and 2024 1,115.9 per thousand lbs. that remain under the actual 2019 level of 1,134.4 thousand lbs. The lower return in landed weight is consistent with what is happening in the industry with airlines choosing to increase their boarding load factors before adding additional aircraft to a market.

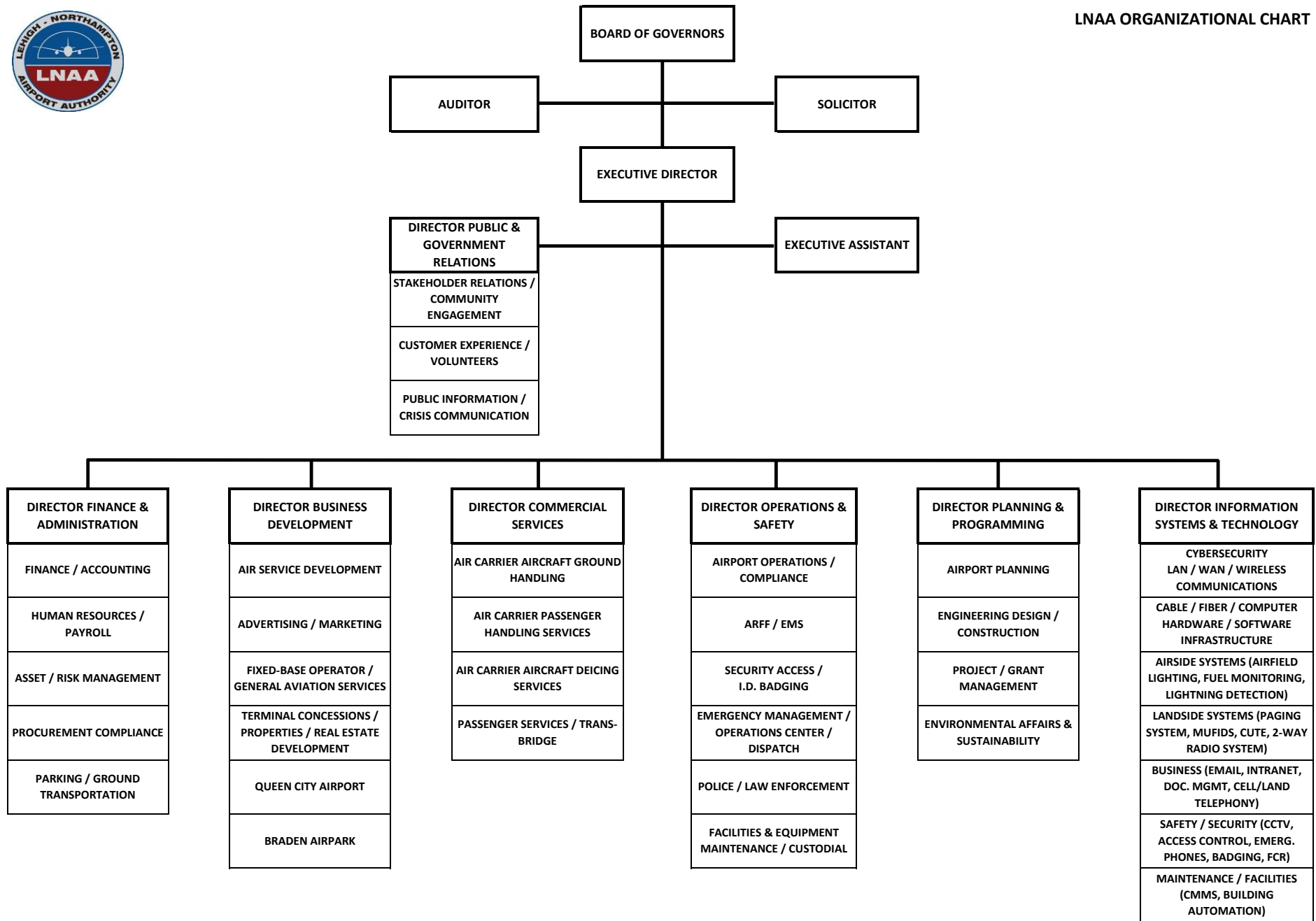
The effect on operating revenues at LNAA continues to be positive with budgeted revenues for 2023 totaling \$38.2 million and 2024 increasing to \$41.2 million showing a return in projected operating revenues compared to pre-Pandemic levels of \$34.9 million in 2019. The categories leading the increase in operating revenues between 2023 and 2024 were terminal rents by \$0.9 million, followed by parking and roadways \$0.7 million and airfield fees at \$0.5 million. An increase in enplanements is the main contributor to the increase in parking and roadways revenues, whereas the increase in the terminal rents is due to a combination of increased operating and expenses (O&M) and increasing passenger activity. The airfield revenues are increasing because of the increased O&M expenses.

The annual O&M expenses budgeted for 2024 are higher than the 2023 budget by approximately \$2.6 million. The increase is due to LNAA's activity continued growth beyond pre-Pandemic levels. The increase was due to a combination of an increase in key expense classifications and a reduction in federal stimulus funds to offset operating expense in 2024. The federal stimulus funds available for 2024 dropped by \$0.9 million which results in an increase of expenses allocated to the various cost centers. The balance of the increase was primarily due to \$0.8 million increase in personnel costs due continued pressure on offering higher wages to retain and hire new employees and the related employee benefits. The balance of the O&M increase was concentrated in other operating expenses with the largest increases in professional services, dues and subscriptions and insurance. It should be noted that the federal stimulus funds that were awarded at the start of the Pandemic have been allocated throughout the period between 2020 and 2024. The Authority plans to use the remaining \$1.7 million of federal relief funds in the 2025 Budget.

As a result of the factors outlined above, the resulting CPE is budgeted to increase by 13.2 percent to \$21.77 in 2024 compared to the 2023 Budget. The increase is due to higher O&M expenses due to increases in various expenses as the activity base continues to increase and a reduction in the amount of available federal stimulus dollars. Based on our experience and research, this increase is in range with the increases we have seen at other airports.



**LNAA ORGANIZATIONAL CHART**



**Lehigh Northampton Airport Authority**  
**Statement of Income -- LVI, Queen City & Braden Airports**  
**Budget 2024**

	2024 Budget A	2023 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2022 Actual K	Variance to Budget L	Variance % to Budget M(L/K)
<b>LVIA OPERATING REVENUES:</b>							
Airfield	\$6,898,955	\$6,430,882	\$468,073	7.28%	\$6,225,744	\$673,211	10.81%
Terminal	10,225,864	9,289,812	936,052	10.08%	8,608,733	1,617,131	18.78%
Parking and Roadways	6,749,863	6,069,556	680,307	11.21%	6,236,977	512,886	8.22%
Aviation Leased Areas	4,453,409	3,939,972	513,437	13.03%	3,836,586	616,823	16.08%
Non-Aviation Leased Areas	1,249,905	1,082,738	167,167	15.44%	830,180	419,725	50.56%
Aviation Services	9,319,461	9,638,015	(318,554)	(3.31%)	9,674,651	(355,190)	(3.67%)
Advertising	741,562	477,513	264,049	55.30%	414,966	326,596	78.70%
Cares Act Reimbursements	2,700,000	4,029,850	(1,329,850)	(33.00%)	2,763,008	(63,008)	(2.28%)
<b>Total Revenues</b>	<b>\$42,339,019</b>	<b>\$40,958,338</b>	<b>\$1,380,681</b>	<b>3.37%</b>	<b>\$38,590,845</b>	<b>\$3,748,174</b>	<b>9.71%</b>
<b>COST OF SALES</b>	<b>\$6,688,772</b>	<b>\$6,961,123</b>	<b>(\$272,351)</b>	<b>(3.91%)</b>	<b>\$6,348,226</b>	<b>\$340,546</b>	<b>5.36%</b>
<b>Net Revenue</b>	<b>\$35,650,247</b>	<b>\$33,997,215</b>	<b>\$1,653,032</b>	<b>4.86%</b>	<b>\$32,242,619</b>	<b>\$3,407,628</b>	<b>10.57%</b>
<b>LVIA OPERATING EXPENSES:</b>							
Airfield	\$6,139,034	\$5,922,807	\$216,227	3.65%	\$5,005,375	\$1,133,659	22.65%
Terminal	8,790,625	7,819,686	970,939	12.42%	6,466,796	2,323,829	35.93%
Parking and Roadways	1,766,789	1,551,503	215,286	13.88%	1,456,283	310,506	21.32%
Aviation Leased Areas	644,405	675,284	(30,879)	(4.57%)	1,265,621	(621,216)	(49.08%)
Non-Aviation Leased Areas	371,960	435,626	(63,666)	(14.61%)	396,616	(24,656)	(6.22%)
Aviation Services	3,275,498	3,029,422	246,076	8.12%	1,676,534	1,598,964	95.37%
Advertising	177,974	108,985	68,989	63.30%	144,377	33,597	23.27%
Administration	5,067,771	4,889,866	177,905	3.64%	3,456,176	1,611,595	46.63%
<b>Total Expenses</b>	<b>\$26,234,056</b>	<b>\$24,433,179</b>	<b>\$1,800,877</b>	<b>7.37%</b>	<b>\$19,867,778</b>	<b>\$6,366,278</b>	<b>32.04%</b>
<b>LVIA Income (Loss) From Operations</b>	<b>\$9,416,191</b>	<b>\$9,564,036</b>	<b>(\$147,845)</b>	<b>(1.55%)</b>	<b>\$12,374,841</b>	<b>(\$2,958,650)</b>	<b>(23.91%)</b>
<b>OTHER AIRPORTS</b>							
Queen City Income (Loss)	(\$359,148)	(\$385,693)	\$26,545	(6.88%)	\$73,027	(\$432,175)	(591.80%)
Queen City Cares Act Reimbursement	\$0	\$59,000	(\$59,000)	(100.00%)	\$0	\$0	0.00%
Braden Airpark Income (Loss)	(86,133)	(201,747)	115,614	(57.31%)	(164,748)	78,615	(47.72%)
Events (Loss)	(30,900)	(44,000)	13,100	(29.77%)	(13,673)	(17,227)	125.99%
<b>Other Airports Inc (Loss) From Operations</b>	<b>(\$476,181)</b>	<b>(\$572,440)</b>	<b>\$96,259</b>	<b>(16.82%)</b>	<b>(\$105,394)</b>	<b>(\$370,787)</b>	<b>351.81%</b>
<b>All Airports Inc (Loss) From Operations</b>	<b>\$8,940,010</b>	<b>\$8,991,596</b>	<b>(\$51,586)</b>	<b>(0.57%)</b>	<b>\$12,269,447</b>	<b>(\$3,329,437)</b>	<b>(27.14%)</b>
<b>NON OPERATING INCOME (EXPENSE):</b>							
Net Interest	\$480,000	\$36,000	\$444,000	1233.33%	\$192,842	\$287,158	148.91%
Miscellaneous	3,000	3,000	0	0.00%	399,918	(396,918)	(99.25%)
<b>Total Non Operating Income (Expense)</b>	<b>\$483,000</b>	<b>\$39,000</b>	<b>\$444,000</b>	<b>1138.46%</b>	<b>\$592,760</b>	<b>(\$109,760)</b>	<b>(18.52%)</b>
<b>Net Income (Loss) Before Depreciation</b>	<b>\$9,423,010</b>	<b>\$9,030,596</b>	<b>\$392,414</b>	<b>4.35%</b>	<b>\$12,862,207</b>	<b>(\$3,439,197)</b>	<b>(26.74%)</b>
Depreciation (Net of Grants)	\$7,960,300	\$6,897,612	\$1,062,688	15.41%	\$6,015,090	\$1,945,210	32.34%
<b>LNA Net Income (Loss)</b>	<b>\$1,462,710</b>	<b>\$2,132,984</b>	<b>(\$670,274)</b>	<b>(31.42%)</b>	<b>\$6,847,117</b>	<b>(\$5,384,407)</b>	<b>(78.64%)</b>

# LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

## Lehigh Valley International Airport

### 2024 BUDGET SUMMARY

The Lehigh-Northampton Airport Authority (LNAA) returned to 2019 pre-pandemic operational levels in 2022 as a result of the opening of an Allegiant crew base (2020) and a previous air cargo expansion. In 2023 and 2024, LNAA is dealing with the new economic environment which includes inflationary pressures and higher interest rates.

The 2024 budget continues to use our remaining ARPA funding to help deal with the latest economic conditions. For example, since 2019, salaries and wages are up 26%, utilities are up 65%, and insurance is up 66%. As of December 31, 2023, LNAA has projected \$4.4M of ARPA funds remaining; \$2.7M to be used in 2024 and the remainder in 2025.

LNAA's cores values and competencies have allowed the airport to continually adapt to a changing environment. 2024 will be the first full year with the new Terminal Connector and expanded Security Checkpoint, which begins an exciting new chapter for the Airport Authority.

The 2024 Budgeted Net Income before depreciation (including \$2,700,000 of ARPA Reimbursements) is \$9,423,010 which is \$1,062,688 or 15% higher than the 2023 Budget. Infrastructure improvements such as the completion of Terminal Connector and Runway rehabilitation projects have added \$1,062,688 in depreciation versus the 2023 Budget. Our debt service ratio of 1.67 exceeds our required ratio of 1.25.

# 2024 OPERATING REVENUE BUDGET

The total 2024 Operating Revenue Budget (including Queen City Airport (XLL) and Braden Airpark (N43)), but excluding ARPA Revenue of \$41,258,273 is \$3,028,432 or 8% higher than the 2023 Budget. The 2024 Airline Rates and Charges are included in the budget packet. Airline Rates and Charges revenue varies slightly from the LNAA's budgeted revenue due to the differences in cost center rollups. Details follow for each cost center.

## AIRFIELD

### LANDING FEES

The calculated 2024 landing fee is \$5.22, which is \$.39 higher than the 2023 budgeted landing fee. Landed weights include daily commercial passenger and air cargo flights, as well as commercial passenger service through airline ground transportation such as routes served by the Landline Bus Company. 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 2024 is \$.70 per thousand pounds of landed weight for passenger carriers - which is \$.01 higher than the 2023 budgeted apron fee. The air cargo carrier's apron rate is \$1.06 per thousand pounds of landed weight - which is \$.02 higher than the 2023 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 2024 terminal rate will increase to \$107.84/sq.ft. which is up \$10.30 from the 2023 budgeted rate. Terminal rates reflect a significant infrastructure investment with the new TSA Checkpoint / Terminal Connector being operational for its first full year in 2024. 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 7% increase from the 2023 Budget. This increase is based on higher passenger enplanements.



## **PARKING AND ROADWAYS**

### **PARKING LOT FEES**

The 2024 parking revenue reflects an 11% increase vs. the 2023 Budget. The additional revenue is based on a 2% increase in enplanements vs. the 2023 budget, and a 5% increase in parking revenue effective July 1, 2024. 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 14% higher than the 2023 Budget. The higher revenue reflects contractual increases across all Hangar leases and strong occupancy rates at Hangars 8, 10, and 11. Additionally, the budget reflects all new Land Rental agreements such as Air Products' ground lease and new solar development leases.

## **AVIATION SERVICES GROUP**

### **FUEL SALES**

The gross fuel sales reflect lower sales activity for 2024. The budget is 4% lower than 2023's Budget due to the anticipation of fewer transcontinental air cargo flights in 2024.

### **GROUND HANDLING AND OTHER**

Passenger airline ground handling revenue reflects an increase of 12% from the 2023 Budget based on higher ground handling rates and more passenger flight operations.

## **ADVERTISING**

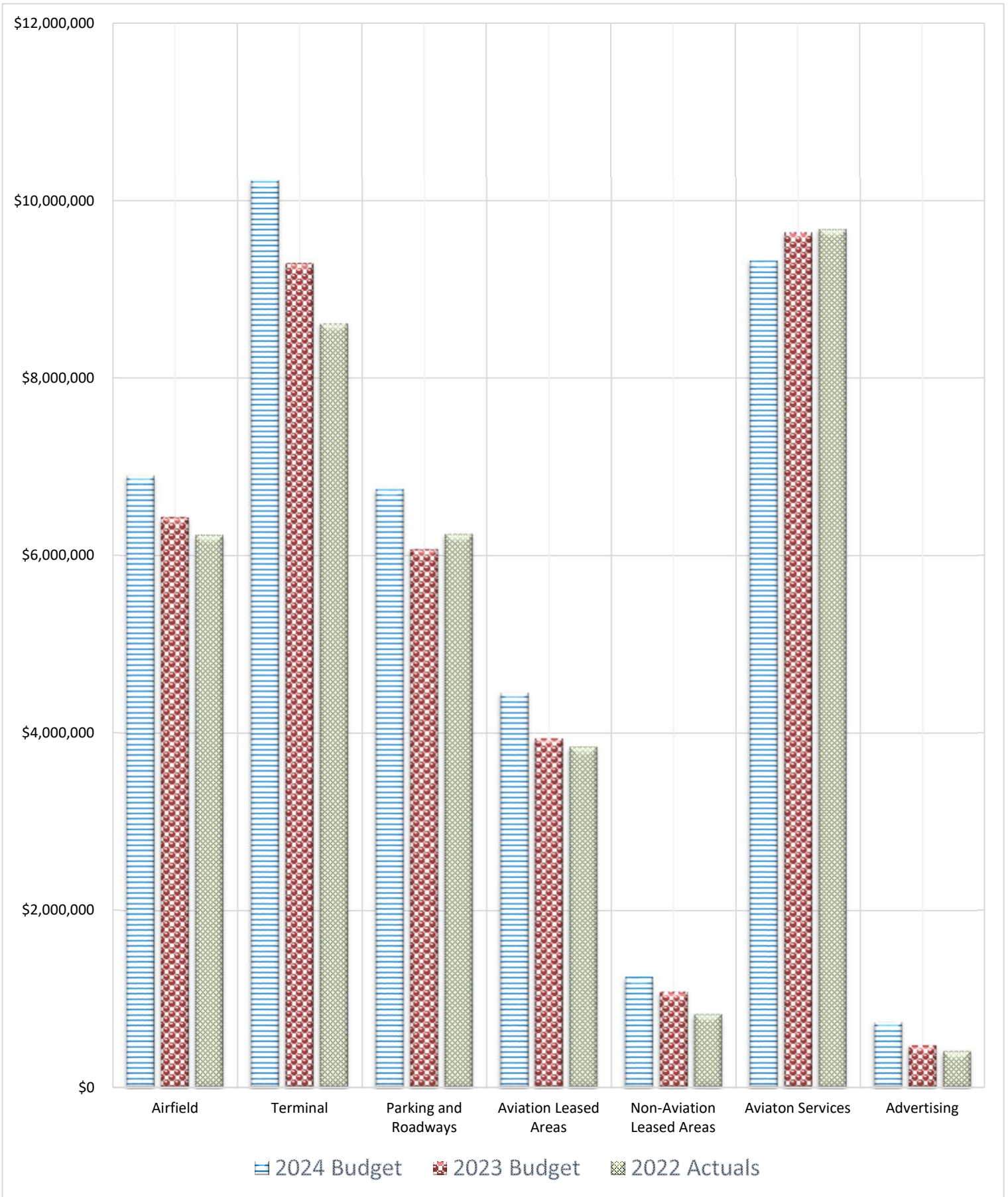
### **ADVERTISING**

The 2024 Advertising revenue reflects an increase of 55% vs. the 2023 Budget. The excitement of the new TSA Checkpoint / Terminal Connector has created additional advertising opportunities and made advertising an even more attractive option at the Airport. The Airport Authority continues to look for new and innovative ways to increase advertising opportunities. As of the 4<sup>th</sup> quarter of 2023, LNAA had 75 unique advertisers working with the Airport Authority.

**Lehigh Northampton Airport Authority**  
**Statement of Operating Revenues - LVIA**  
**Budget 2024**

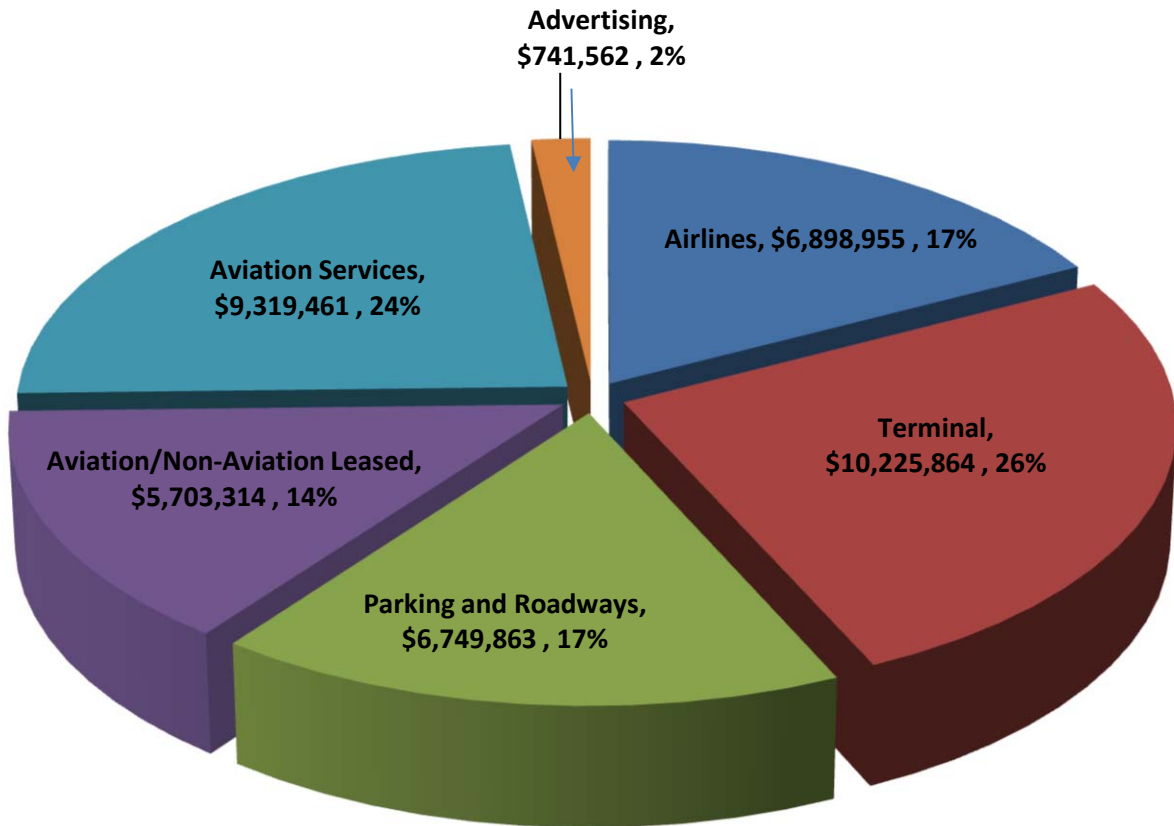
	2024 Budget A	2023 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2022 Actual E	Variance to Budget F	Variance % to Budget G (F/E)
<b>OPERATING REVENUES:</b>							
<b>Airfield:</b>							
Landing Fees	\$5,891,663	\$5,435,363	\$456,300	8.40%	\$5,307,065	\$584,598	11.02%
Apron Parking Fees	1,007,292	995,519	11,773	1.18%	918,679	88,613	9.65%
<b>Total Airfield Fees</b>	<b>\$6,898,955</b>	<b>\$6,430,882</b>	<b>\$468,073</b>	<b>7.28%</b>	<b>\$6,225,744</b>	<b>\$673,211</b>	<b>10.81%</b>
<b>Terminal:</b>							
Rent - Airlines	\$7,005,878	\$6,294,104	\$711,774	11.31%	\$5,468,263	\$1,537,615	28.12%
Rent - Concession & Other	722,555	670,890	51,665	7.70%	617,562	104,993	17.00%
Concession Fee - Rental Cars	1,916,344	1,828,440	87,904	4.81%	1,948,867	(32,523)	(1.67%)
Concession Fee - Restaurant/Newsstand	508,793	429,088	79,705	18.58%	396,704	112,089	28.26%
Concession Fee - Other	45,293	37,290	8,003	21.46%	146,353	(101,060)	(69.05%)
Utility Fees & Other	27,000	30,000	(3,000)	(10.00%)	30,985	(3,985)	(12.86%)
<b>Total Terminal Rents</b>	<b>\$10,225,863</b>	<b>\$9,289,812</b>	<b>\$936,051</b>	<b>10.08%</b>	<b>\$8,608,734</b>	<b>\$1,617,129</b>	<b>18.78%</b>
<b>Parking and Roadways</b>	<b>\$6,749,863</b>	<b>\$6,069,556</b>	<b>\$680,307</b>	<b>11.21%</b>	<b>\$6,236,977</b>	<b>\$512,886</b>	<b>8.22%</b>
<b>Aviation Leased Areas:</b>							
Hangar No. 1 Rent	\$69,108	\$62,729	\$6,379	10.17%	\$64,110	\$4,998	7.80%
Hangar No. 2 Rent	43,347	39,694	3,653	9.20%	39,609	3,738	9.44%
Hangar No. 3 Rent	401,285	462,265	(60,980)	(13.19%)	453,133	(51,848)	(11.44%)
Hangar No. 5 Rent	26,944	25,800	1,144	4.43%	25,594	1,350	5.27%
Hangar No. 7 Rent	383,463	344,370	39,093	11.35%	348,717	34,746	9.96%
Hangar No. 8 Rent	362,276	194,501	167,775	86.26%	194,941	167,335	85.84%
Hangar No. 9 Rent	925,371	857,047	68,324	7.97%	831,312	94,059	11.31%
Hangar No. 10 Rent	646,493	625,476	21,017	3.36%	626,678	19,815	3.16%
Hangar No. 11 Rent	939,161	802,601	136,560	17.01%	655,891	283,270	43.19%
T-Hangars	240,961	213,292	27,669	12.97%	215,859	25,102	11.63%
Air Cargo Building & Land Rents	354,784	251,453	103,331	41.09%	315,864	38,920	12.32%
Ramp, Gatecard and Other Income	60,216	60,744	(528)	(0.87%)	64,878	(4,662)	(7.19%)
<b>Total Aviation Leased Areas</b>	<b>\$4,453,409</b>	<b>\$3,939,972</b>	<b>\$513,437</b>	<b>13.03%</b>	<b>\$3,836,586</b>	<b>\$616,823</b>	<b>16.08%</b>
<b>Non-Aviation Leased Areas:</b>							
Building Rents	\$597,882	\$572,958	\$24,924	4.35%	\$578,100	\$19,782	3.42%
Land Rents	652,023	509,780	142,243	27.90%	252,080	399,943	158.66%
<b>Total Rents</b>	<b>\$1,249,905</b>	<b>\$1,082,738</b>	<b>\$167,167</b>	<b>15.44%</b>	<b>\$830,180</b>	<b>\$419,725</b>	<b>50.56%</b>
<b>Aviation Services:</b>							
Gross Fuel Sales/Into Plane Fees	\$6,295,616	\$6,564,174	(\$268,558)	(4.09%)	\$6,508,248	(\$212,632)	(3.27%)
Landing Fees	278,000	364,954	(86,954)	(23.83%)	306,032	(28,032)	(9.16%)
Hangar & Ramp Rentals	231,000	369,690	(138,690)	(37.52%)	284,220	(53,220)	(18.72%)
Ground Handling	2,146,789	1,921,172	225,617	11.74%	2,328,264	(181,475)	(7.79%)
Miscellaneous Income	368,056	418,025	(49,969)	(11.95%)	247,888	120,168	48.48%
<b>Total Aviation Services</b>	<b>\$9,319,461</b>	<b>\$9,638,015</b>	<b>(\$318,554)</b>	<b>(3.31%)</b>	<b>\$9,674,652</b>	<b>(\$355,191)</b>	<b>(3.67%)</b>
<b>Advertising</b>	<b>\$741,562</b>	<b>\$477,513</b>	<b>\$264,049</b>	<b>55.30%</b>	<b>\$414,966</b>	<b>\$326,596</b>	<b>78.70%</b>
<b>Total Operating Revenue</b>	<b>\$39,639,018</b>	<b>\$36,928,488</b>	<b>\$2,710,530</b>	<b>7.34%</b>	<b>\$35,827,839</b>	<b>\$3,811,179</b>	<b>10.64%</b>
Cost of Sales	\$6,688,772	\$6,961,123	(\$272,351)	(3.91%)	\$6,348,226	\$340,546	5.36%
<b>Net Operating Revenue</b>	<b>\$32,950,246</b>	<b>\$29,967,365</b>	<b>\$2,982,881</b>	<b>9.95%</b>	<b>\$29,479,613</b>	<b>\$3,470,633</b>	<b>11.77%</b>

## Lehigh-Northampton Airport Authority 2024/2023/2022 LVIA Revenue



\* Excludes Care Act Reimbursement

## Lehigh-Northampton Airport Authority 2024 Revenue Sources \*



\* Excludes Cares Act Reimbursement

# LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

## Lehigh Valley International Airport

### 2024 OPERATING EXPENSE BUDGET

Total 2024 Operating Expense Budget (including Braden, Queen City and Events) is \$26,494,703, an increase of \$1,745,423 or 7% from the 2023 Budget. The changes in some of the major expense categories are detailed below.

#### **SALARIES AND WAGES**

Salaries and wages reflect a 5% increase over the 2023 Budget. The increase reflects several adjustments:

1. 2024 budgeted FTEs are 5% above the 2023 budget.
2. Compliance with PA minimum wage requirements for agencies which receive PA state grants. As a municipal authority that receives state grants, the LNAA is subject to changing minimum wage standards.
3. Continued adjustments in non-union wages based on airport industry benchmarks. Additionally, non-union employees not impacted by the benchmark will receive a 3.0% increase effective for the first full pay period of 2024.
4. Teamsters' personnel received a 3.0% increase for the first pay period of July 2023, and will receive another 3.0% for the first pay period of July 2024, consistent with their current Collective Bargaining Agreement (CBA).
5. Aircraft, Rescue and Firefighting (ARFF) personnel received a 3.0% increase for the first pay period of September 2023, and will receive another 3.0% for the first pay period of September 2024, consistent with their current CBA.
6. Police personnel will receive an increase beginning with the first pay period of January 2024.

#### **EMPLOYEE BENEFITS**

2024 Benefits are budgeted at a 5% increase from the 2023 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. 2% increase in the number of full-time employees and 4% increase in total hours.
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 \$20.9K. Combined employee medical contributions represent 7.1% of 2024 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 2024 Budget is a \$100K rebate from 2023.

## **PROFESSIONAL SERVICES**

The 2024 Budget reflects a 50% increase vs. the 2023 Budget. The increase in professional services is a strategic use of ARPA funds to initiate several professional studies to help the Airport Authority improve both efficiency and employee safety. Projects include but are not limited to Information Technology, Parking, and Communications.

## **LEGAL SERVICES**

The 2024 Budget reflects a 40% increase from the 2023 Budget. The 2024 budget reflects several studies to ensure the Airport Authority remains in legal compliance amidst changing industry regulations.

## **AUDIT AND FINANCIAL SERVICES**

The 2024 Budget for audit fees reflects a 14% increase vs. the 2023 Budget. The fees are increased due to inflation and additional GASB regulation testing requirements for 2024.

## **CONTRACT SERVICES**

The contract services 2024 Budget increased 2% from the 2023 Budget. The increase is largely a result of new FAA security regulations for employee screening by a third-party agency.

## **ADVERTISING EXPENSE**

The 2024 Budget is 13% higher than the 2023 Budget. The 2024 advertising expense increase is due to the implementation of airline incentives for the following new destinations; Denver and Melbourne, and production expenses associated with new advertisers in the new TSA Checkpoint / Terminal Connector.

## **DUES AND SUBSCRIPTIONS**

The dues and subscriptions budget reflects a 34% increase vs. the 2023 Budget. The increase reflects the requirement for continued cybersecurity upgrades in our information technology and related software license fees.

## **EQUIPMENT RENTAL**

The 2024 budgeted equipment rental is 10% higher than the 2023 Budget due to expanded lease lines and higher lease rates.

## **MATERIALS & SUPPLIES**

Materials and supplies increased 12% vs. the 2023 Budget. Materials and supplies have been directly impacted by inflation. For example, the cost of paper products and cleaning supplies has increased by 45%.

## **MAINTENANCE & REPAIRS**

Maintenance & Repairs budget increased 3% from the 2023 Budget due to price inflation and continued upkeep on our growing infrastructure.

## **UTILITIES**

The 2024 Budget reflects a 3% decrease from the 2023 Budget due to negotiated savings with the LNAA's electric supplier and a change in the organizations cell phone service provider.

## **INSURANCE**

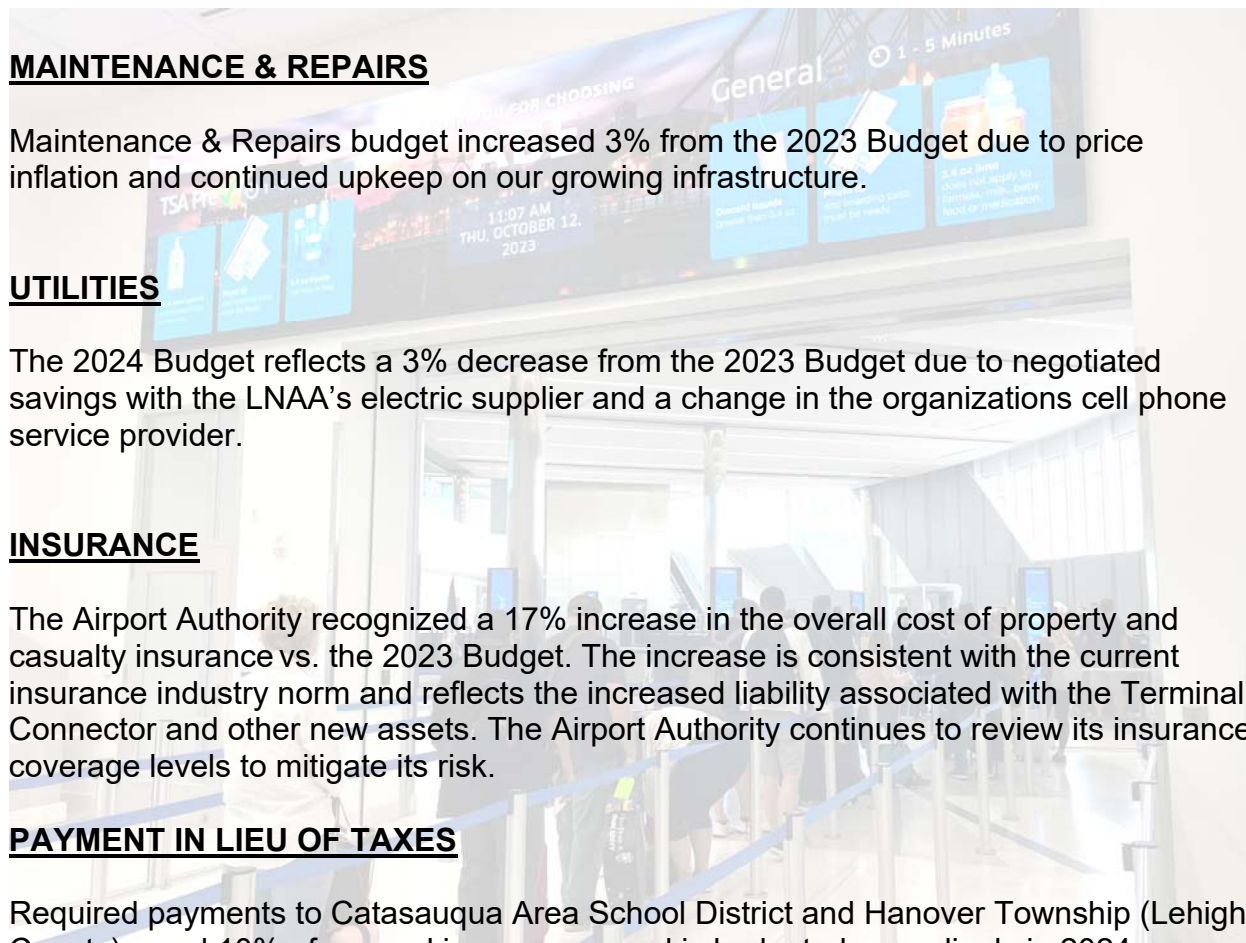
The Airport Authority recognized a 17% increase in the overall cost of property and casualty insurance vs. the 2023 Budget. The increase is consistent with the current insurance industry norm and reflects the increased liability associated with the Terminal Connector and other new assets. The Airport Authority continues to review its insurance coverage levels to mitigate its risk.

## **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 2024.

## **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.

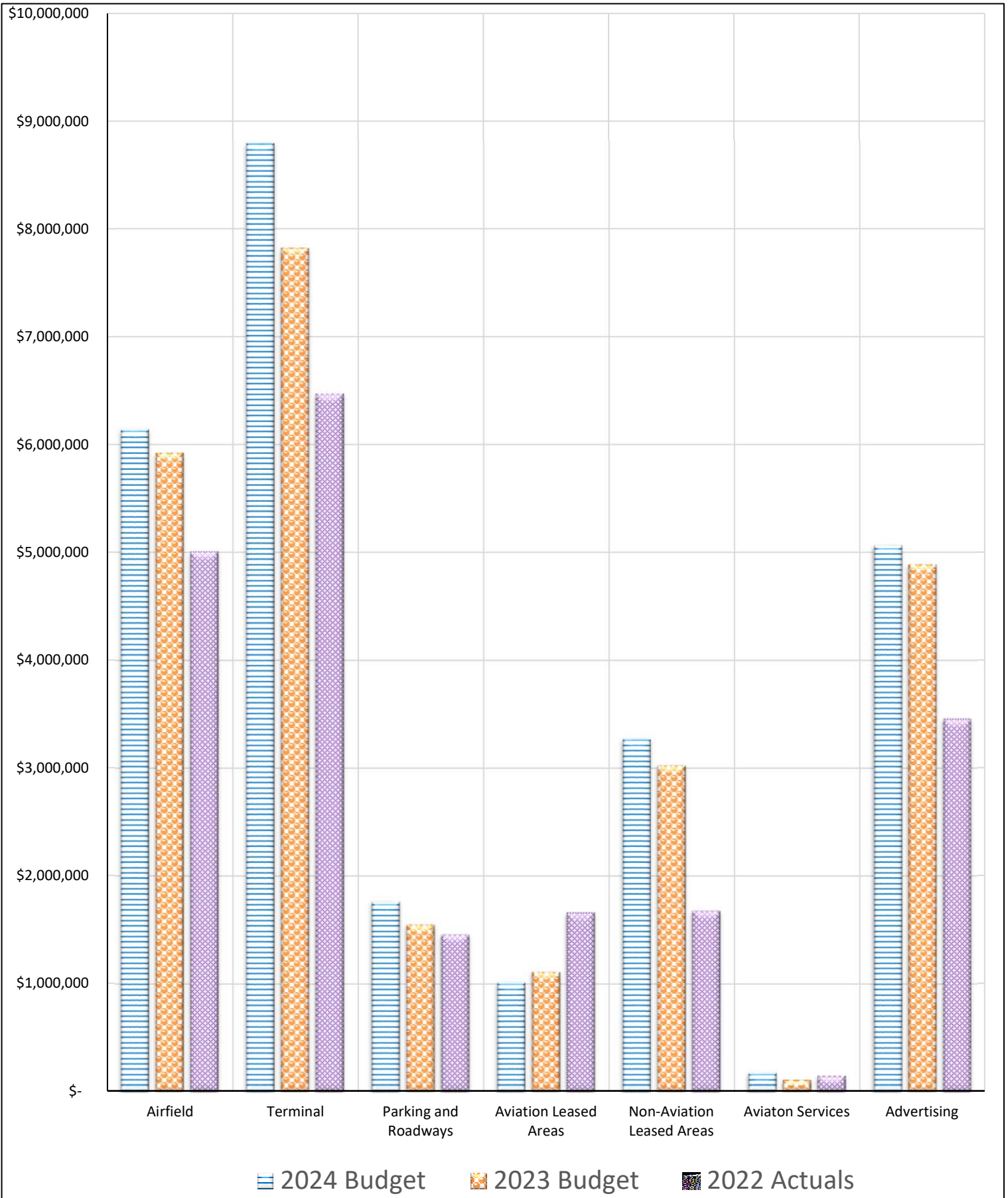


**Lehigh Northampton Airport Authority**  
**Statement of Operating Expenses - LVIA**  
**Budget 2024**

	2024 Budget A	2023 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2022 Actual E	Variance to Budget F	Variance % to Budget G (F/E)
<b>OPERATING EXPENSES:</b>							
Salaries and Wages	\$10,533,275	\$9,857,707	\$675,568	6.85%	\$8,244,090	\$2,289,185	27.77%
Payroll Taxes	794,297	743,805	50,492	6.79%	615,956	178,341	28.95%
Employee Benefits	4,226,371	4,181,126	45,245	1.08%	2,972,458	1,253,913	42.18%
Subtotal	<u>\$15,553,943</u>	<u>\$14,782,638</u>	<u>\$771,305</u>	<u>5.22%</u>	<u>\$11,832,504</u>	<u>\$3,721,439</u>	<u>31.45%</u>
Professional Services	569,023	378,684	190,339	50.26%	248,570	320,453	128.92%
Legal Services	419,600	298,700	120,900	40.48%	184,439	235,161	127.50%
Audit and Financial Services	95,700	84,200	11,500	13.66%	66,319	29,381	44.30%
Public Relations	40,600	48,200	(7,600)	(15.77%)	41,983	(1,383)	(3.29%)
Contract Services	1,934,464	1,890,990	43,474	2.30%	1,176,271	758,193	64.46%
Advertising Expense	438,050	386,750	51,300	13.26%	285,614	152,436	53.37%
Recruiting Expense	48,000	43,400	4,600	10.60%	22,297	25,703	115.28%
Printing	9,250	11,620	(2,370)	(20.40%)	7,846	1,404	17.89%
Postage	4,600	4,240	360	8.49%	3,433	1,167	33.99%
Dues and Subscriptions	1,070,781	801,599	269,182	33.58%	606,367	464,414	76.59%
Office Supplies	44,420	41,540	2,880	6.93%	39,605	4,815	12.16%
Telephone	122,156	150,544	(28,388)	(18.86%)	117,709	4,447	3.78%
Training and Seminars	163,825	161,800	2,025	1.25%	50,746	113,079	222.83%
Business and Travel Related	130,650	130,733	(83)	(0.06%)	46,338	84,312	181.95%
Hospitality	48,315	39,369	8,946	22.72%	18,062	30,253	167.50%
Equipment Rental	528,396	479,239	49,157	10.26%	521,159	7,237	1.39%
Materials & Supplies	884,234	787,534	96,700	12.28%	692,891	191,343	27.62%
Maintenance Repairs	796,500	769,980	26,520	3.44%	835,428	(38,928)	(4.66%)
Heating Gas and Oil	367,865	371,100	(3,235)	(0.87%)	327,859	40,006	12.20%
Electricity	1,087,300	1,135,100	(47,800)	(4.21%)	905,840	181,460	20.03%
Water	166,428	166,600	(172)	(0.10%)	201,021	(34,593)	(17.21%)
Refuse Collection	81,690	49,332	32,358	65.59%	40,168	41,522	103.37%
Uniforms	74,813	67,044	7,769	11.59%	54,680	20,133	36.82%
Insurance	799,400	685,577	113,823	16.60%	639,147	160,253	25.07%
Real Estate Taxes	160,000	200,000	(40,000)	(20.00%)	170,460	(10,460)	(6.14%)
Payment in Lieu of Taxes	654,213	594,330	59,883	10.08%	591,627	62,586	10.58%
Credit Card Fees	192,237	180,817	11,420	6.32%	177,077	15,160	8.56%
Bad Debt Expense	0	0	0	0.00%	1,132	(1,132)	(100.00%)
Miscellaneous	8,250	7,620	630	8.27%	21,641	(13,391)	(61.88%)
<b>Total Operating Expenses</b>	<b><u>\$26,494,703</u></b>	<b><u>\$24,749,280</u></b>	<b><u>\$1,745,423</u></b>	<b><u>7.05%</u></b>	<b><u>\$19,928,233</u></b>	<b><u>\$6,566,470</u></b>	<b><u>32.95%</u></b>
Allocated to QC	(\$249,823)	(\$232,086)	(\$17,737)	7.64%	(\$35,085)	(\$214,738)	612.05%
Allocated to Braden	(10,823)	(84,017)	73,194	(87.12%)	(25,369)	14,546	(57.34%)
<b>Total Operating Expenses after Allocation</b>	<b><u>\$26,234,057</u></b>	<b><u>\$24,433,177</u></b>	<b><u>\$1,800,880</u></b>	<b><u>7.37%</u></b>	<b><u>\$19,867,779</u></b>	<b><u>\$6,366,278</u></b>	<b><u>32.04%</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 increased \$27K (or 7%) vs. the 2023 Budget at Queen City Airport (XLL). Net operating revenue increased by \$40K or 24%. The \$257K increase in fuel and labor costs were more than offset by the increase in revenue including \$244K in fuel sales.

The Airport Authority continues to look for new opportunities to bring in additional general aviation revenue.

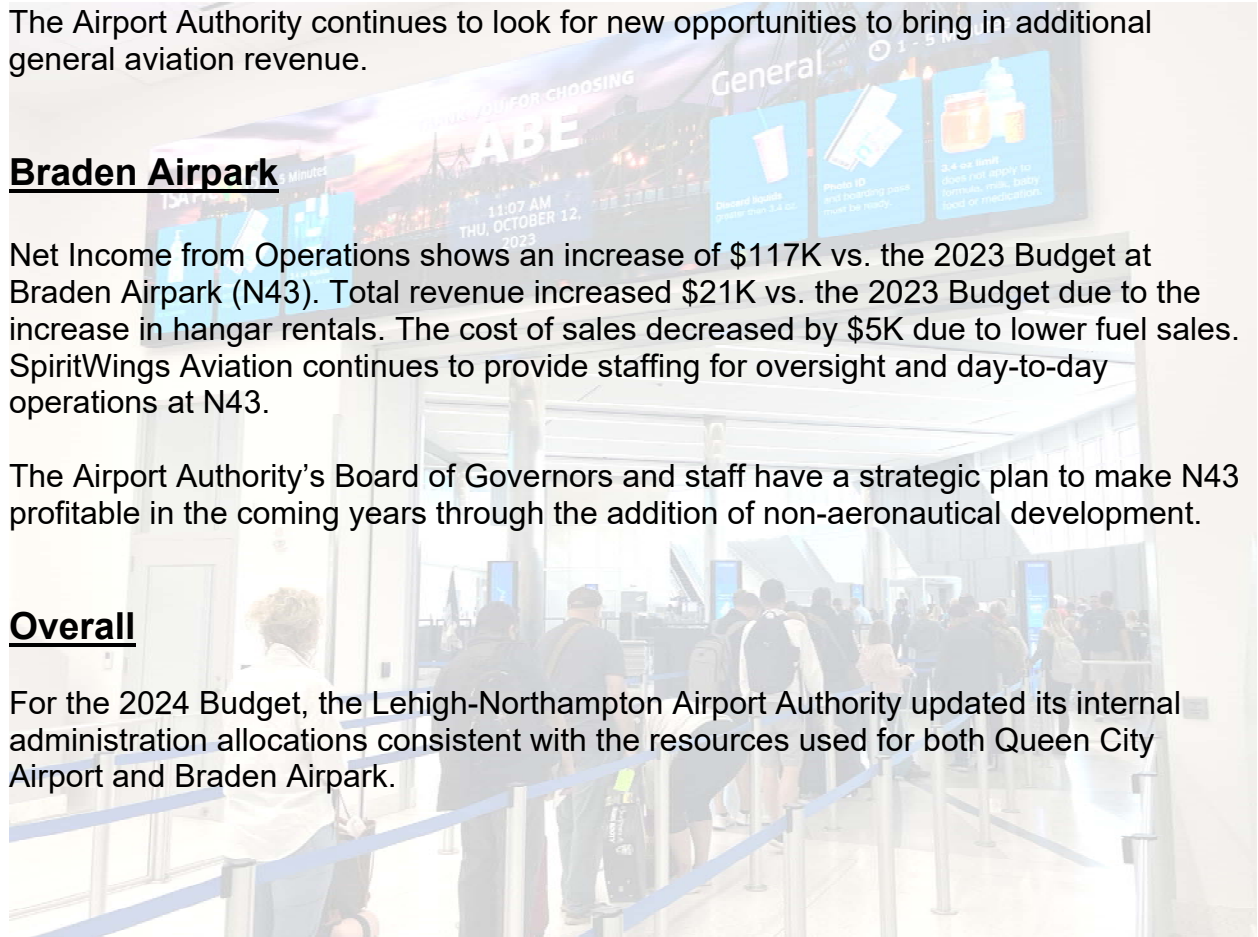
### Braden Airpark

Net Income from Operations shows an increase of \$117K vs. the 2023 Budget at Braden Airpark (N43). Total revenue increased \$21K vs. the 2023 Budget due to the increase in hangar rentals. The cost of sales decreased by \$5K due to lower fuel sales. SpiritWings Aviation continues to provide staffing for oversight and day-to-day operations at N43.

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 2024 Budget, the Lehigh-Northampton Airport Authority updated its internal administration allocations consistent with the resources used for both Queen City Airport and Braden Airpark.



**Lehigh Northampton Airport Authority  
Queen City Airport  
Budget 2024**

	2024 Budget A	2023 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2022 Actual E	Variance to Budget F	Variance % to Budget G (F/E)
<b>Revenue:</b>							
Hangar & Ramp Rentals	\$580,381	\$524,169	\$56,212	10.72%	\$538,642	\$41,739	7.75%
Fuel Sales-FBO	748,440	515,140	233,300	45.29%	563,488	184,952	32.82%
Into Plane Fees-FBO	132,197	120,950	11,247	9.30%	148,758	(16,561)	(11.13%)
Pilot Supplies Sales	0	300	(300)	(100.00%)	190	(190)	(100.00%)
Miscellaneous Income	5,915	9,317	(3,402)	(36.51%)	13,551	(7,636)	(56.35%)
<b>Total Revenue</b>	<b>\$1,466,933</b>	<b>\$1,169,876</b>	<b>\$297,057</b>	<b>25.39%</b>	<b>\$1,264,629</b>	<b>\$202,304</b>	<b>16.00%</b>
<b>Cost of Sales:</b>							
Fuel Cost	\$586,404	\$480,000	\$106,404	22.17%	\$511,588	\$74,816	14.62%
Labor costs	672,530	522,337	150,193	28.75%	384,431	288,099	74.94%
<b>Total Cost of Sales</b>	<b>\$1,258,934</b>	<b>\$1,002,337</b>	<b>\$256,597</b>	<b>25.60%</b>	<b>\$896,019</b>	<b>\$362,915</b>	<b>40.50%</b>
<b>Net Operating Revenue</b>	<b>\$207,999</b>	<b>\$167,539</b>	<b>\$40,460</b>	<b>24.15%</b>	<b>\$368,610</b>	<b>(\$160,611)</b>	<b>(43.57%)</b>
<b>Operating Expenses:</b>							
Salaries & Wages	\$34,899	\$34,352	\$547	1.59%	\$30,709	\$4,190	13.64%
Payroll Taxes	2,525	2,490	35	1.41%	2,294	231	10.07%
Employee Benefits	18,222	17,525	697	3.98%	25,817	(7,595)	(29.42%)
Subtotal	\$55,646	\$54,367	\$1,279	2.35%	\$58,820	(\$3,174)	(5.40%)
Professional Fee	0	0	0	0.00%	238	(238)	(100.00%)
Legal Fees	10,000	10,000	0	0.00%	1,801	8,199	455.25%
Public Relations	0	0	0	0.00%	0	0	0.00%
Contract Services	24,307	29,000	(4,693)	(16.18%)	15,767	8,540	54.16%
Advertising Expense	0	0	0	0.00%	0	0	0.00%
Printing	100	100	0	0.00%	0	100	0.00%
Postage & Shipping	0	50	(50)	(100.00%)	0	0	0.00%
Dues & Subscriptions	2,000	2,750	(750)	(27.27%)	2,538	(538)	(21.20%)
Office Expenses	800	600	200	33.33%	357	443	124.09%
Telephone Expense	3,000	3,360	(360)	(10.71%)	3,083	(83)	(2.69%)
Training & Seminars	2,000	1,550	450	29.03%	744	1,256	168.82%
Travel & Business Expenses	2,000	2,450	(450)	(18.37%)	67	1,933	2885.07%
Hospitality	1,000	1,000	0	0.00%	0	1,000	0.00%
Equipment Rental	15,000	11,520	3,480	30.21%	13,128	1,872	14.26%
Materials & Supplies	35,000	30,000	5,000	16.67%	27,066	7,934	29.31%
Maintenance & Repairs	40,000	36,000	4,000	11.11%	27,531	12,469	45.29%
Utilities-Heat	16,480	22,000	(5,520)	(25.09%)	11,687	4,793	41.01%
Utilities-Light & Power	24,900	37,200	(12,300)	(33.06%)	22,919	1,981	8.64%
Utilities-Water	2,160	1,800	360	20.00%	1,195	965	80.75%
Refuse Services	5,931	1,000	4,931	493.10%	793	5,138	647.92%
Uniform Purchase & Expense	4,600	4,000	600	15.00%	1,563	3,037	194.31%
Real Estate Taxes	71,200	71,200	0	0.00%	71,200	0	0.00%
Credit Card Fees	1,200	1,200	0	0.00%	0	1,200	0.00%
Bad Debt Expense	0	0	0	0.00%	0	0	0.00%
Miscellaneous Expenses	0	0	0	0.00%	0	0	0.00%
Allocated	249,823	232,086	17,737	7.64%	35,085	214,738	612.05%
<b>Total Operating Expenses</b>	<b>\$567,147</b>	<b>\$553,233</b>	<b>\$13,914</b>	<b>2.52%</b>	<b>\$295,582</b>	<b>\$271,565</b>	<b>91.87%</b>
<b>Net Income (Loss) from Operations</b>	<b>(\$359,148)</b>	<b>(\$385,694)</b>	<b>\$26,546</b>	<b>(6.88%)</b>	<b>\$73,028</b>	<b>(\$432,176)</b>	<b>(591.79%)</b>
<b>NON-OPERATING COSTS:</b>							
Depreciation	\$159,474	\$146,051	\$13,423	9.19%	\$160,752	(\$1,278)	(0.80%)
Total Non-Operating Costs	\$159,474	\$146,051	\$13,423	9.19%	\$160,752	(\$1,278)	(0.80%)
<b>Net Income after Depreciation</b>	<b>(\$518,622)</b>	<b>(\$531,745)</b>	<b>\$13,123</b>	<b>(2.47%)</b>	<b>(\$87,724)</b>	<b>(\$430,898)</b>	<b>491.20%</b>

**Lehigh Northampton Airport Authority  
Braden Airpark  
Budget 2024**

	2024 Budget A	2023 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2022 Actual E	Variance to Budget F	Variance % to Budget G (F/E)
<b>Revenue:</b>							
Hangar & Ramp Rentals	\$111,147	\$90,477	\$20,670	22.85%	\$96,003	\$15,144	15.77%
Fuel Sales-FBO	\$41,175	\$41,000	\$175	0.43%	\$41,615	(\$440)	(1.06%)
Miscellaneous Income	0	0	0	0.00%	1,310	(1,310)	(100.00%)
<b>Total Revenue</b>	<b>\$152,322</b>	<b>\$131,477</b>	<b>\$20,845</b>	<b>15.85%</b>	<b>\$138,928</b>	<b>\$13,394</b>	<b>9.64%</b>
<b>Cost of Sales:</b>							
Fuel Cost	\$31,720	\$35,000	(\$3,280)	(9.37%)	\$33,968	(\$2,248)	(6.62%)
Labor costs	25,706	27,731	(2,025)	(7.30%)	83,316	(57,610)	(69.15%)
<b>Total Cost of Sales</b>	<b>\$57,426</b>	<b>\$62,731</b>	<b>(\$5,305)</b>	<b>(8.46%)</b>	<b>\$117,284</b>	<b>(\$59,858)</b>	<b>(51.04%)</b>
<b>Net Operating Revenue</b>	<b>\$94,896</b>	<b>\$68,746</b>	<b>\$26,150</b>	<b>38.04%</b>	<b>\$21,644</b>	<b>\$73,252</b>	<b>338.44%</b>
<b>Operating Expenses:</b>							
Salaries & Wages	\$10,301	\$12,963	(\$2,662)	(20.54%)	\$7,281	\$3,020	41.48%
Payroll Taxes	745	939	(194)	(20.66%)	519	226	43.55%
Employee Benefits	5,379	6,613	(1,234)	(18.66%)	15,204	(9,825)	(64.62%)
Subtotal	\$16,425	\$20,515	(\$4,090)	(19.94%)	\$23,004	(\$6,579)	(28.60%)
Professional Fee	96,000	96,000	0	0.00%	61,935	34,065	55.00%
Legal Fees	4,000	6,000	(2,000)	(33.33%)	5,803	(1,803)	(31.07%)
Contract Services	4,015	7,220	(3,205)	(44.39%)	5,698	(1,683)	(29.54%)
Advertising Expense	0	0	0	0	0	0	0.00%
Postage & Shipping	0	0	0	0	0	0	0.00%
Dues & Subscriptions	400	0	400	0.00%	365	35	9.59%
Office Expenses	0	0	0	0.00%	0	0	0.00%
Telephone Expense	3,600	0	3,600	0.00%	3,775	(175)	(4.64%)
Training & Seminars	0	0	0	0.00%	0	0	0.00%
Travel & Business Expenses	0	0	0	0.00%	0	0	0.00%
Hospitality	300	300	0	0.00%	0	300	0.00%
Equipment Rental	4,576	3,640	936	25.71%	21,920	(17,344)	(79.12%)
Materials & Supplies	5,000	10,000	(5,000)	(50.00%)	3,959	1,041	26.29%
Maintenance & Repairs	10,000	12,000	(2,000)	(16.67%)	9,193	807	8.78%
Utilities-Heat	5,650	7,000	(1,350)	(19.29%)	9,393	(3,743)	(39.85%)
Utilities-Light & Power	11,500	15,600	(4,100)	(26.28%)	10,158	1,342	13.21%
Utilities-Water	3,456	3,000	456	15.20%	2,166	1,290	59.56%
Refuse Services	1,084	1,000	84	8.40%	775	309	39.87%
Uniform Purchase & Expense	0	0	0	0.00%	(120)	120	(100.00%)
Credit Card Fees	1,200	1,200	0	0.00%	0	1,200	0.00%
Bad Debt Expense	0	0	0	0.00%	0	0	0.00%
Miscellaneous Expenses	3,000	3,000	0	0.00%	3,000	0	0.00%
Allocated	10,823	84,017	(73,194)	(87.12%)	25,369	(14,546)	(57.34%)
<b>Total Operating Expenses</b>	<b>\$181,029</b>	<b>\$270,492</b>	<b>(\$89,463)</b>	<b>(33.07%)</b>	<b>\$186,393</b>	<b>(\$5,364)</b>	<b>(2.88%)</b>
<b>Net Income (Loss) from Operations</b>	<b>(\$86,133)</b>	<b>(\$201,746)</b>	<b>\$115,613</b>	<b>(57.31%)</b>	<b>(\$164,749)</b>	<b>\$78,616</b>	<b>(47.72%)</b>
<b>NON-OPERATING COSTS:</b>							
Depreciation	68,420	68,420	0	0.00%	64,080	4,340	6.77%
<b>Total Non-Operating Costs</b>	<b>\$68,420</b>	<b>\$68,420</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$64,080</b>	<b>\$4,340</b>	<b>6.77%</b>
<b>Net Income after Depreciation</b>	<b>(\$154,553)</b>	<b>(\$270,166)</b>	<b>\$115,613</b>	<b>(42.79%)</b>	<b>(\$228,829)</b>	<b>\$74,276</b>	<b>(32.46%)</b>

## Insights on Changes to Personnel

The 2024 Budget of 239 FTEs shows an increase of 21 FTEs compared to the 2023 YTD average of 218 FTEs and an increase of 10 FTEs from the 2023 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

5 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.

### Custodial

3 FTEs – With the introduction of the Terminal Connector and an increase in passenger air carrier operations throughout the day, there is an increased need for more FTEs in this department.

### Passenger Services/Shuttle Bus

3 FTEs – Along with an increase in low-cost carrier flights comes an increasing need for more FTEs in this department.

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

Description	Period	FTEs	% vs. 2019 Actual	FT EEs	% vs. 2019 Actual	Total EES	% vs. 2019 Actual
Budget	2024	239	23.8%	166	25.8%	343	38.3%
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	31-Oct-23	230	19.2%	153	15.9%	293	18.1%
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*	2023	218	13.0%	149	12.9%	281	13.3%
Actual	2022	205	6.2%	143	8.3%	265	6.9%
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 10/31/23

\*\*All Results Compared to 2019 Actual.

### FTEs by Department vs. 2023 Budget

Department	2024 Budget (A)	YTD Average (B)*	2023 Budget (C)	Variance (A-B)	% Variance (A vs. B)	Variance (A-C)	% Variance (A vs. C)
Advertising	0.7	0.8	0.7	(0.1)	N/A	0.0	0.0%
ARFF **	10.3	9.5	10.8	0.8	8%	(0.5)	-5.0%
Aviation Services- FBO	33.3	29.6	33.3	3.7	13%	0.0	0.0%
Aviation Services- QC	8.8	7.5	8.0	1.3	17%	0.8	10.0%
Aviation Services-Braden	0.3	0.0	0.3	0.3	N/A	0.1	20.0%
Business Development	2.3	2.3	2.3	0.0	2%	0.0	0.0%
Custodial	14.0	11.3	12.7	2.7	24%	1.3	10.5%
Customer Experience	5.9	5.1	5.2	0.8	16%	0.7	14.1%
Executive Board	2.0	2.0	2.0	0.0	0%	0.0	0.0%
Finance	7.7	7.8	7.7	(0.1)	-1%	0.0	0.0%
Ground Handling -LV	36.7	36.8	35.1	(0.1)	0%	1.7	4.7%
HR	3.0	3.0	3.0	0.0	0%	0.0	0.0%
IT	5.8	5.0	5.0	0.8	16%	0.8	16.0%
Maintenance	30.3	25.0	31.1	5.3	21%	(0.8)	-2.5%
Marketing	1.2	1.0	1.0	0.2	20%	0.2	20.0%
Operations Admin.	6.5	6.0	6.0	0.5	8%	0.5	8.3%
Operations Center	9.4	7.7	9.4	1.7	22%	0.0	0.1%
Operations Officers	6.6	5.4	5.7	1.2	22%	0.9	15.8%
Parking	8.0	6.8	6.6	1.2	18%	1.4	21.8%
Passenger Services/Shuttle Bus	24.1	21.5	19.8	2.6	12%	4.3	21.8%
Planning	3.0	3.0	3.8	0.0	0%	(0.8)	-20.0%
Police	13.3	14.5	13.3	(1.2)	-8%	(0.0)	-0.2%
Properties	2.3	2.1	2.3	0.2	7%	0.0	0.0%
Purchasing	4.0	3.0	3.0	1.0	33%	1.0	33.3%
Transbridge	0.0	0.9	1.0	(0.9)	-100%	(1.0)	-100.0%
<b>Grand Total</b>	<b>239.4</b>	<b>217.5</b>	<b>228.8</b>	<b>21.9</b>	<b>10.1%</b>	<b>10.6</b>	<b>4.6%</b>

\*YTD Average through 10/31/23

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

### FTEs by Department vs. 2019 Actuals

Department	2024 Budget (A)	10/31/2023 (B)	2019 Actual (C)	Variance (A-B)	% Variance (A vs. B)	Variance (A-C)	% Variance (A vs. C)
Advertising	0.7	0.8	1.0	(0.1)	N/A	(0.3)	-30%
ARFF **	10.3	10.4	8.3	(0.1)	-1%	2.0	24%
Aviation Services- FBO	33.3	28.9	27.9	4.4	15%	5.4	19%
Aviation Services- QC	8.8	7.8	6.3	1.0	13%	2.5	40%
Aviation Services-Braden	0.3	0.0	2.4	0.3	N/A	(2.1)	-88%
Business Development	2.3	2.3	1.7	0.0	2%	0.6	35%
Custodial	14.0	12.2	12.6	1.8	15%	1.4	11%
Customer Experience	5.9	5.1	4.8	0.8	16%	1.1	23%
Executive Board	2.0	2.0	2.0	0.0	0%	0.0	0%
Finance	7.7	7.2	6.2	0.5	7%	1.5	24%
Ground Handling -LV	36.7	40.0	22.5	(3.3)	-8%	14.2	63%
HR	3.0	3.0	3.1	0.0	0%	(0.1)	-3%
IT	5.8	5.0	5.0	0.8	16%	0.8	16%
Maintenance	30.3	25.8	26.8	4.5	17%	3.5	13%
Marketing	1.2	1.0	1.2	0.2	20%	0.0	0%
Operations Admin.	6.5	6.0	5.1	0.5	8%	1.4	27%
Operations Center	9.4	8.2	6.4	1.2	14%	3.0	46%
Operations Officers	6.6	6.6	5.4	0.0	0%	1.2	22%
Parking	8.0	6.7	8.1	1.3	19%	(0.1)	-1%
Passenger Services/Shuttle Bus	24.1	23.4	15.4	0.6	3%	8.7	56%
Planning	3.0	3.0	2.5	0.0	0%	0.5	20%
Police	13.3	16.4	13.6	(3.1)	-19%	(0.3)	-2%
Properties	2.3	2.1	2.2	0.1	5%	0.0	2%
Purchasing	4.0	4.0	0.0	0.0	0%	4.0	N/A
Transbridge	0.0	0.0	2.4	0.0	N/A	(2.4)	-100%
<b>Grand Total</b>	<b>239.4</b>	<b>227.9</b>	<b>192.9</b>	<b>11.5</b>	<b>5.1%</b>	<b>46.5</b>	<b>24.1%</b>

\*Actual Hours as of 10/21/2023 Payroll

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



**Lehigh-Northampton Airport Authority**

**Cash Flow Projection**

a	Year	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024
b	Month	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTALS	
c	<b>Beginning Cash</b>	\$ 29,902,594	\$ 28,670,527	\$ 30,629,346	\$ 33,085,525	\$ 32,796,850	\$ 32,606,364	\$ 31,401,415	\$ 28,956,137	\$ 29,753,862	\$ 29,247,095	\$ 27,944,134	\$ 25,989,747		
1	Estimated Operating Revenues	\$ 3,204,610	\$ 3,346,557	\$ 3,232,691	\$ 3,418,510	\$ 3,273,700	\$ 3,128,954	\$ 3,167,476	\$ 3,409,233	\$ 3,235,822	\$ 3,152,611	\$ 3,508,232	\$ 3,397,575	\$ 39,475,971	
2	Oper. Expenses & COS Labor	\$ (2,781,126)	\$ (2,582,869)	\$ (2,711,856)	\$ (2,650,162)	\$ (2,597,823)	\$ (2,455,280)	\$ (2,972,516)	\$ (2,747,798)	\$ (2,751,757)	\$ (2,655,367)	\$ (3,155,016)	\$ (2,861,261)	\$ (32,922,831)	
3	Queen City Income (Loss)	\$ (23,468)	\$ (90,671)	\$ (38,491)	\$ (23,294)	\$ (11,528)	\$ (9,368)	\$ (27,220)	\$ (18,899)	\$ (22,776)	\$ (23,592)	\$ (25,302)	\$ (44,539)	\$ (359,148)	
4	Braden Airpark Income (Loss)	\$ (7,164)	\$ (10,576)	\$ (7,286)	\$ (8,668)	\$ (6,157)	\$ (6,952)	\$ (5,869)	\$ (5,965)	\$ (6,199)	\$ (5,480)	\$ (6,693)	\$ (9,124)	\$ (86,133)	
5	Event (Loss)	\$ (2,742)	\$ (242)	\$ (242)	\$ (2,742)	\$ (1,242)	\$ (5,242)	\$ (242)	\$ (10,242)	\$ (242)	\$ (6,242)	\$ (242)	\$ (1,242)	\$ (30,904)	
6	Net Interest	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 480,000	
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	\$ (127,000)	\$ (127,000)	\$ (127,000)	\$ (127,000)	\$ (127,000)	\$ (127,000)	\$ (127,000)	\$ (127,000)	\$ (127,000)	\$ (127,000)	\$ (127,000)	\$ (127,000)	\$ (1,524,000)	
10	Debt Service - Connector Bridge	\$ (1,482)												\$ (1,482)	
11	Airline Settlement						(900,000)							\$ (900,000)	
12	Lease Reimbursements			\$ 500,000					\$ 500,000					\$ 1,000,000	
13	Loan Proceeds - Connector Fixed													\$ -	
14	Loan Proceeds - Connector Bridge													\$ -	
15	Transfers from PFC to Operating	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 130,000	\$ 130,000	\$ 160,000	\$ 1,710,000	
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	\$ 30,021,192	\$ 29,062,696	\$ 31,334,132	\$ 33,549,139	\$ 33,183,770	\$ 33,018,446	\$ 30,423,014	\$ 29,342,436	\$ 30,468,680	\$ 29,438,995	\$ 27,995,083	\$ 26,231,126		
	<b>CIP Cash Flow Items:</b>														
18	Lease Payments	\$ (73,443)	\$ (154,691)	\$ (73,443)	\$ (85,318)	\$ (166,566)	\$ (72,030)	\$ (72,030)	\$ (153,278)	\$ (72,030)	\$ (83,905)	\$ (165,153)	\$ (83,905)	\$ (1,255,792)	
19	Capital Purchases/Local Contributions	(1,808,333)	(2,063,657)	(2,100,203)	(3,006,118)	(2,999,537)	(3,877,649)	(4,144,995)	(4,194,995)	(4,858,941)	(4,874,510)	(4,445,934)	(3,498,843)	\$ (41,873,715)	
20	New Properties						(350,000)							\$ (350,000)	
21	FAA/PA Grant Receipts	531,112	3,284,999	3,925,039	2,339,147	1,788,698	2,682,647	2,750,147	4,059,698	3,709,386	3,463,553	2,605,751	958,800	\$ 32,098,978	
22	Subtotal CIP	\$ (1,350,664)	\$ 1,066,650	\$ 1,751,392	\$ (752,289)	\$ (1,377,405)	\$ (1,617,031)	\$ (1,466,877)	\$ (288,574)	\$ (1,221,585)	\$ (1,494,861)	\$ (2,005,336)	\$ (2,623,948)	\$ (11,380,528)	
23	Ending Cash Before Special Cares Grants	\$ 28,670,527	\$ 30,129,346	\$ 33,085,525	\$ 32,796,850	\$ 31,806,364	\$ 31,401,415	\$ 28,956,137	\$ 29,053,862	\$ 29,247,095	\$ 27,944,134	\$ 25,989,747	\$ 23,607,178		
24	Special Cares Acts Grants		500,000	-		800,000			700,000				700,000	2,700,000	
25	Ending Cash After Cares Act Grant (24+24)	\$ 28,670,527	\$ 30,629,346	\$ 33,085,525	\$ 32,796,850	\$ 32,606,364	\$ 31,401,415	\$ 28,956,137	\$ 29,753,862	\$ 29,247,095	\$ 27,944,134	\$ 25,989,747	\$ 24,307,178		
	<b>Reserves and Restrictions:</b>														
26	Required Bond Cash Reserve	\$ 5,040,000	\$ 5,040,000	\$ 5,040,000	\$ 5,040,000	\$ 5,040,000	\$ 5,040,000	\$ 5,040,000	\$ 5,040,000	\$ 5,040,000	\$ 5,040,000	\$ 5,040,000	\$ 5,040,000		
27	AIP/Other Restricted Use Only	\$ 8,363,375	\$ 8,243,375	\$ 7,065,896	\$ 6,849,229	\$ 6,214,229	\$ 4,932,417	\$ 4,709,292	\$ 4,486,167	\$ 3,705,563	\$ 2,891,463	\$ 2,280,226	\$ 1,666,288		
28	Unrestricted Cash (25-26-27)	\$ 15,267,152	\$ 17,345,971	\$ 20,979,629	\$ 20,907,620	\$ 21,352,135	\$ 21,428,999	\$ 19,206,845	\$ 20,227,695	\$ 20,501,533	\$ 20,012,671	\$ 18,669,521	\$ 17,600,890		
29	Contingency Reserve	\$ 1,305,000	\$ 1,305,000	\$ 1,305,000	\$ 1,305,000	\$ 1,305,000	\$ 1,305,000	\$ 1,305,000	\$ 1,305,000	\$ 1,305,000	\$ 1,305,000	\$ 1,305,000	\$ 1,305,000		
30	Reserved for Future Full Debt Service														
31	Unrestricted Cash After Contingency & Future Debt Service (28-29-30)	\$ 13,962,152	\$ 16,040,971	\$ 19,674,629	\$ 19,602,620	\$ 20,047,135	\$ 20,123,999	\$ 17,901,845	\$ 18,922,695	\$ 19,196,533	\$ 18,707,671	\$ 17,364,521	\$ 16,295,890		
32	Unrestricted Ending Days Cash on Hand After Contingency @ \$73,806/day	189.2	217.3	266.6	265.6	271.6	272.7	242.6	256.4	260.1	253.5	235.3	220.8		

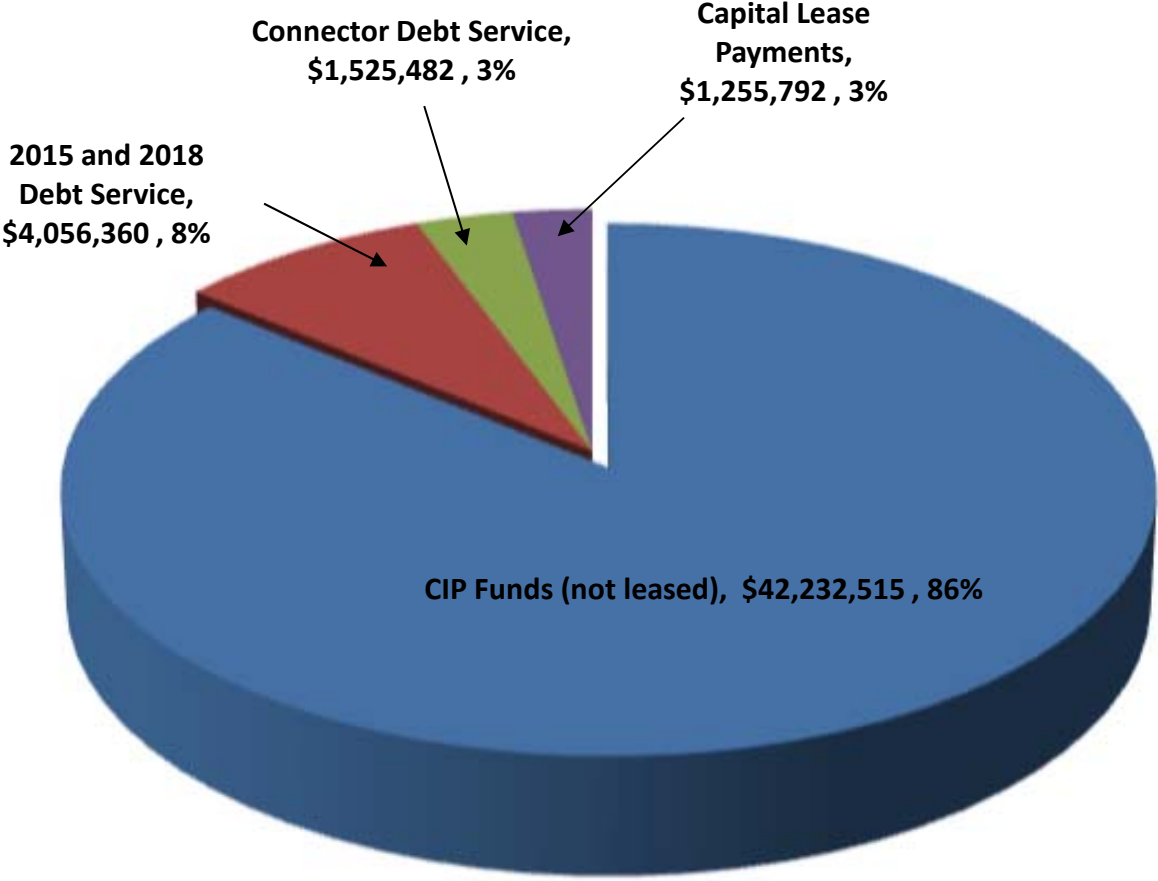
Notes to Items:

- 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 Debt Service for Connector - Fixed Rate
- 10 Debt Service for Bridge Loan - Variable Rate
- 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 \$2.7 million of ARPPA Funds Used in 2024 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.

Other Notes:

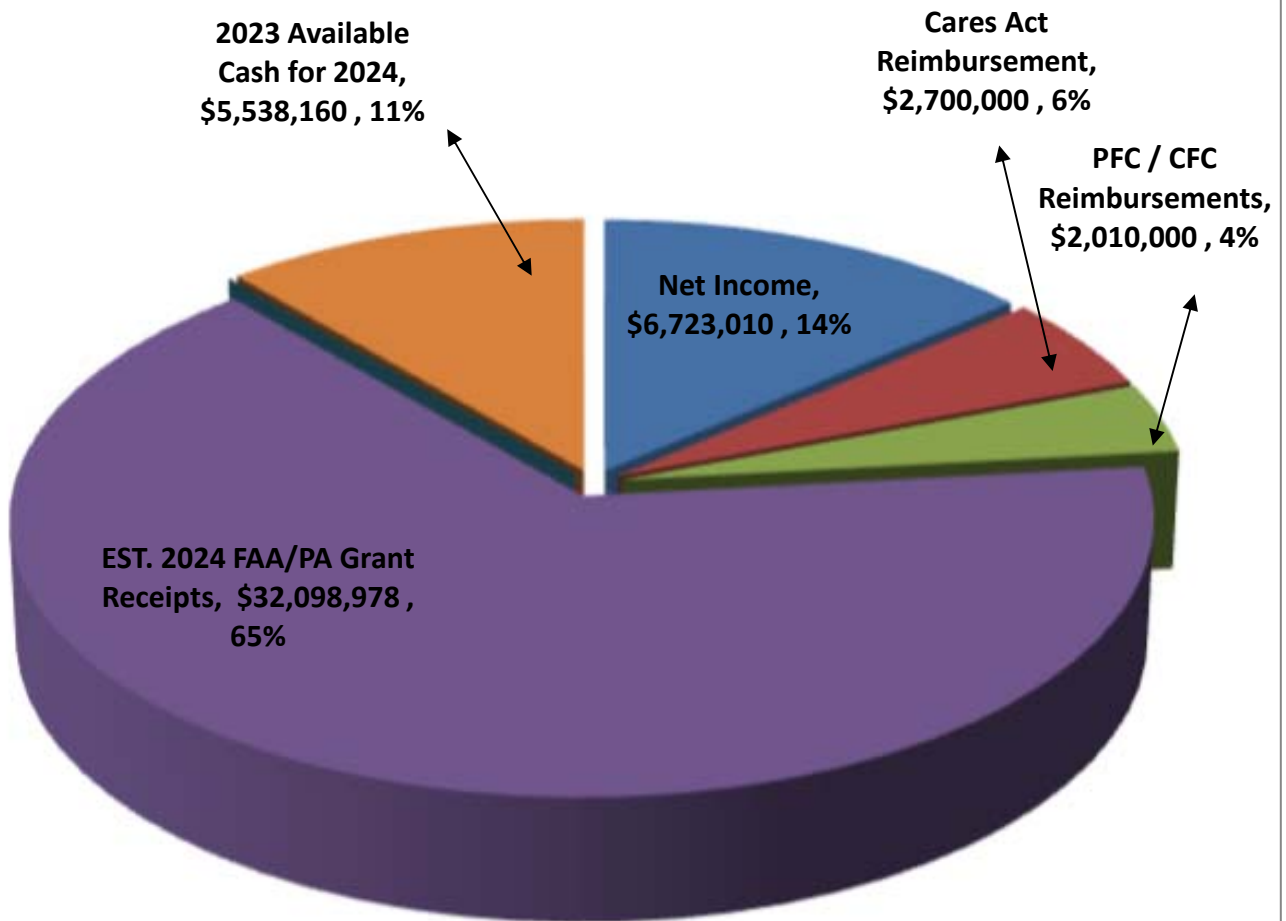
- A Bank Lines of Credit are not shown on exhibit but may be potential sources of Cash.
- B Net Changes to Receivables and Payables assumed to be zero.

# Lehigh-Northampton Airport Authority 2024 Uses of Cash



**Total Capital Resources: \$49,070,149**

## Lehigh-Northampton Airport Authority 2024 Cash Sources



**Total Available Cash: \$49,070,149**



**Lehigh Valley International Airport  
Queen City Airport  
Braden Airpark**

**EXHIBITS A -B  
2024 CAPITAL IMPROVEMENT  
PROGRAM (CIP)**

# LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

## 2024 CAPITAL IMPROVEMENT PROGRAM (CIP)

Entering 2024, 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 (ABE), 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 2024, 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 2024 CIP budget presentation, Exhibit A, is prepared for ease of reference and to reflect an emphasis on major capital projects. All 2024 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 \$43,479,507 the LNAA's share of the project funds for the 2024 CIP is \$12,828,643. Due to the timing of project expenditures and grant receipts, the 2024 cash needed for LNAA's share is \$11,380,529. This total includes the receipt of \$32,098,978 in FAA, PennDOT Bureau of Aviation, RACP and other grant funds to support the ongoing and projected projects included in the 2024 CIP.

Four FAA and State major projects (with multiple phases) account for the majority of the 2024 CIP with a combined total of \$27,563,067 (\$2,783,719 LNAA Share), as shown on Exhibit A.

Appropriate contingencies are included in the 2024 CIP for each relevant project (average of 10%) and are built into the 2024 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 (2025-2028) 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: 2024 PROJECTS**

2024 Budgeted Capital Improvements		Total Program Cost	2024 Project Cost	Professional Services	LNAA Share	Contingency
<b>FAA &amp; STATE GRANT PROJECTS</b>						
<b>LEHIGH VALLEY INTERNATIONAL AIRPORT (ABE)</b>						
1	FAA 117-2022: Rehabilitate Runway 6/24 - Phase X (Cons)	\$16,467,889	\$11,193,038	\$2,187,487	\$1,119,304	\$950,000
2	FAA 120-2023: Rehabilitate Runway 6/24 - Phase XI (Construct Taxiway Fillets)	\$5,541,339	\$5,541,339	\$850,000	\$554,134	\$800,000
3	FAA (BIL): Parallel Taxiway D PH.I (Design)	\$640,000	\$354,000	\$640,000	\$35,400	N/A
4	FAA (BIL): Parallel Taxiway D PH.II (Construction)	\$25,000,000	\$3,650,000	\$800,000	\$365,000	\$550,000
5	FAA (BIL): Rehabilitate Taxiway A PH.I (Design)	\$1,500,000	\$1,500,000	\$250,000	\$150,000	N/A
6	FAA: Rehabilitate Taxiway A PH.II (West Construction)	\$10,800,000	\$125,000	\$50,000	\$12,500	N/A
7	DCED 83717 (State): Acquire & Rehabilitate Passenger Boarding Bridges	\$3,400,000	\$3,375,087	\$260,000	\$0	N/A
8	State: Rehabilitate & Realign Terminal Roadways PH.I/II (Design/Cons.)	\$2,985,714	\$1,824,603	\$400,000	\$547,381	\$150,000
	<b>ABE Grant Projects Sub-Total</b>	<b>\$66,334,942</b>	<b>\$27,563,067</b>	<b>\$5,437,487</b>	<b>\$2,783,719</b>	<b>\$2,450,000</b>
<b>QUEEN CITY AIRPORT (XLL)</b>						
9	FAA 033-2023: Construct Airfield Electrical Vault (Design & Construction)	\$692,646	\$538,049	\$442,646	\$85,332	N/A
10	FAA 034-2023: Runway 15/33 Rehabilitation - PH. III (Lighting Construction)	\$1,554,325	\$1,554,117	\$0	\$155,224	\$60,000
11	FAA: Rehabilitate/Reconstruct Taxiway A - Feasibility Study & CATEx - PH.I (Design)	\$170,000	\$36,000	\$36,000	\$3,600	N/A
12	State: Construct Fuel Farm - PH. I (Design)	\$250,000	\$125,000	\$125,000	\$125,000	N/A
	<b>Queen City Grant Projects Sub-Total</b>	<b>\$2,666,971</b>	<b>\$2,253,166</b>	<b>\$603,646</b>	<b>\$369,156</b>	<b>\$60,000</b>
<b>BRADEN AIRPARK (N43)</b>						
13	State: Construct Runway Edge Lighting - PH.I (Design)	\$200,000	\$50,000	\$50,000	\$50,000	N/A
	<b>Braden Airpark Grant Projects Sub-Total</b>	<b>\$200,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$0</b>
14	<b>TOTAL FOR GRANT PROJECTS</b>	<b>\$69,201,913</b>	<b>\$29,866,233</b>	<b>\$6,091,133</b>	<b>\$3,202,875</b>	<b>\$2,510,000</b>
<b>MAJOR / RECURRING NON-GRANT PROJECTS</b>						
15	Terminal Modernization / ADA Improvements (Design & Construction)	\$2,000,000	\$800,000	\$400,000	\$800,000	N/A
16	Government Building Utility Relocation & Site Restoration	\$300,000	\$300,000		\$300,000	
17	Replace Air Handler Unit 4 (Design & Construction)	\$1,060,000	\$793,750	\$50,000	\$793,750	N/A
18	ABE / XLL Airfield Lighting & Signage LED Transition	\$500,000	\$100,000		\$100,000	
19	Replace Hangar 9 Interior Roof Insulation (Design & Installation)	\$400,000	\$400,000	\$80,000	\$400,000	\$40,000
20	Replace XLL Bulk Hangar / Office Roof & Insulation	\$400,000	\$400,000		\$400,000	
21	Construct Parking Garage & GSE Storage Facility (Programming & Engineering Design)	\$4,000,000	\$1,833,333	\$3,000,000	\$1,833,333	N/A
22	Replace Maintenance Facility Fuel Tanks - PH.I (Design)	\$80,000	\$80,000		\$80,000	
23	Terminal Exterior Façade Repairs/Replacement (Brick Repointing / Panels)	\$150,000	\$150,000		\$150,000	
24	Miscellaneous Airside / Landside Pavement Rehabilitation / Repairs / Crack Sealing	\$6,000,000	\$1,000,000	\$120,000	\$1,000,000	\$120,000
25	Hangar 7 Door Replacement - PH.I Design	\$1,400,000	\$150,000	\$80,000	\$150,000	N/A
26	Property Acquisitions	\$350,000	\$350,000	N/A	\$350,000	N/A
27	<b>TOTAL MAJOR NON-GRANT PROJECTS</b>	<b>\$16,640,000</b>	<b>\$6,357,083</b>	<b>\$3,730,000</b>	<b>\$6,357,083</b>	<b>\$160,000</b>
<b>DEPARTMENTAL EXPENSES</b>						
28	Cumulative Department Spending		\$3,281,185	N/A	\$3,281,185	N/A
29	<b>TOTAL FOR DEPARTMENTAL EXPENSES</b>		<b>\$3,281,185</b>	<b>\$0</b>	<b>\$3,281,185</b>	<b>\$0</b>
<b>2024 TOTAL CAPITAL SPEND</b>			<b>\$39,504,501</b>	<b>\$9,821,133</b>	<b>\$12,841,143</b>	<b>\$2,670,000</b>
<b>CASH FLOW ADJUSTMENTS</b>						
30	Capital Lease Payments		\$1,255,792		\$1,255,792	
31	2024 Grant Funding Receipts Associated with 2023 LNAA Share		\$2,719,214		(\$2,716,407)	
32	<b>TOTAL CASH FLOW ADJUSTMENTS</b>		<b>\$3,975,006</b>		<b>(\$1,460,615)</b>	
33	<b>2024 CASH NEEDED FOR CIP</b>		<b>\$43,479,507</b>		<b>\$11,380,528</b>	

- Notes:
- 2024 Project Cost Includes Professional Services, Grant Funding Expenditures, LNAA Share Expenditures, and Contingency values.
  - Capital Lease Payments (Line 30 above) is shown on Line 18 of Cash Flow Projection Exhibit.
  - 2024 Cash Needed for CIP (Line 33 above) is shown on Line 22 of the Cash Flow Projection Exhibit.
  - 2024 CIP was developed utilizing the 2024 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 2024 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: 2024 DEPARTMENTAL PROJECTS**

Legend	
2023 Carry Over	
1	<b>OPERATION CRITICAL</b>
2	<b>REGULATORY</b>
3	<b>HIGH</b>
4	<b>LOW</b>

Project Title	Overall Cost	Department	Priority Rating
Acquire Glycol Recovery Vehicle	\$418,620	Airside Maintenance	1
Repaint Exterior Structure of Hangar 7	\$100,000	FBO	1
Acquire Computer Aided Dispatch (Ops Center)	\$85,500	Operations	1
Acquire New Fuel Receiving Rack - Pump and Motor	\$50,000	FBO	1
Triple Flail Mowing Deck	\$49,300	Airside Maintenance	1
Acquire FBO Executive/Customer Shuttle (6 seater)	\$22,465	FBO	1
Acquire Mobile Dispatch Terminals for Patrol Units	\$15,000	Police	1
Main Terminal Vestibules Door Replacements / Upgrades	\$180,000	Non Av Leased Maint	1
Replace IT Hardware (UPS/Switches/Security/Routers)	\$150,000	IT	1
Paint Main Terminal Roadway Structural Beams	\$100,000		1
Aquire/Install Hangar 7 Elevator or ADA Lift	\$80,000	FBO	1
XLL - Replace Terminal HVAC	\$75,000	XLL FBO	1
Replace Desktops/Laptops	\$75,000	IT	1
Replace Maintenance E-Transit Van (#28)	\$60,000	Airside Maintenance	1
XLL - Aquire Mower deck for New Holland	\$32,500		1
Replace 1 lift in Maintenance Shop	\$23,000	Airside Maintenance	1
Replace Phones	\$10,000	IT	1
Replace 75 ton Shop Press	\$8,000	Airside Maintenance	1
Replace Digital Tablets for Maintenance	\$8,000	Landside Maintenance	1
Replace Bathroom Sanitizing machine	\$6,100	Landside Maintenance	1
Replace Deice Truck	\$400,000	LVAS (Allegiant)	2
Replace Network Backup Equipment & Software	\$150,000	IT	2
Mechanical Rehabilitation of 3rd Floor Terminal Elevator	\$150,000	Non Av Leased Maint	2
Upgrade Police Radio System to match the County	\$150,000	Police	2
Replace Network Core	\$140,000	IT	2
Aquire Cyber Security Firewall	\$50,000	IT	2
Replace 1,000 gal Diesel Tank for Cargo Ramp	\$11,800	FBO	2
Acquire Enclosed Trailer for Spill Response	\$8,000	ARFF	2
XLL - Replace 500 gallon diesel tank	\$7,400	XLL FBO	2
Replace ARFF Bunker Gear	\$6,000	ARFF	2
Replace (2) Maintenance F350 Trucks (#46 & #59)	\$190,000	Airside Maintenance	3
Common Use Upgrade/Migration to ACUS (Hardware/Software) (Lease)?	\$180,000	IT	3
Acquire 30 ft. Boom mower w/ 50" rotary cutting head	\$50,000	Airside Maintenance	3
Hangar 7 - Replace automatic doors/refresh both vestibules	\$50,000	FBO	3
Acquire Security Cages, Storage Racks for Bomboy Warehouse	\$30,000	Purchasing	3
Replace / Add FIDS Monitors	\$30,000	IT	3
Refinish ARFF Common Area Floors	\$25,000	ARFF	3
Acquire Terminal Floor Scrubber	\$22,000	Landside Maintenance	3
Replace / Add Security Cameras	\$20,000	IT	3
Renovate Airline & Passenger Service Offices and Breakroom	\$15,000	LVAS (Allegiant)	3
Acquire Johnson Controls Spare Panels	\$15,000	IT	3
Aquire diesel engine diagnostic equipment	\$10,500	Airside Maintenance	3
Replace / Add Radios	\$10,000	IT	3
Hangar 10 - Upgrade ramp lighting	\$7,000	Av Leased Maint	3
Acquire Spare Parking Equipment	\$5,000	Admin	3



**CAPITAL IMPROVEMENT PROGRAM  
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY  
EXHIBIT B: 2024 DEPARTMENTAL PROJECTS**

Project Title	Overall Cost	Department	Priority Rating
XLL - Replace New Holland Mower	\$120,000	Airside Maintenance	4
Aquire Airfield Tractor / Mower	\$120,000	Airside Maintenance	4
Replace (2) Airport Admin Vehicles	\$100,000	Admin	4
Aquire Shelter for Maintenance Equipment Storage	\$100,000	Airside Maintenance	4
Console and Workstation Upgrades (Ops Center)	\$90,000	Operations	4
Replace Boom Lift	\$80,000		4
Replace Operations Pickup (OPS8)	\$69,000		4
Replace Maintenance Manager Vehicle (A10)	\$68,000		4
Aquire FBO Belt Loader	\$66,000	FBO	4
Replace Police Vehicle #95	\$60,000	Police	4
Hangar 7 - Update parking lot pole lights to modern LED (9)	\$50,000	FBO	4
Acquire FBO Air Stairs	\$48,154	FBO	4
Acquire FBO GPU	\$42,176	FBO	4
Main Entrance Information Sign/Overflow	\$40,000	Admin	4
Acquire Procurement Delivery Vehicle	\$38,000	Purchasing	4
Hangar 7 - Replace loading dock overhead door	\$35,000	FBO	4
Hangar 7 - Replace rear hangar overhead door (from hangar to maintenac	\$35,000	FBO	4
Replace Lav Cart	\$30,000		4
Hangar 7 - Upgrade ramp lights to H11 style	\$30,000	FBO	4
Additional Radio Position (Ops Center)	\$30,000	Operations	4
Solar & Battery powered 3 line sign board	\$30,000	Airside Maintenance	4
Aquire LineLazer Paint Machine	\$26,000	Airside Maintenance	4
20 Staxi Wheelchairs	\$23,000	Passenger Services	4
Aquire Turf Roller for Runway Safety Area	\$22,000		4
XLL - Add badge readers to doors (main entrance, all entrances to ramp)	\$20,000	XLL FBO	4
Bomboy Refresh (IT, HVAC, Lighting, Etc.)	\$20,000	Purchasing	4
Aquire Vehicle Emissions/Diagnostic Equipment	\$16,000	Airside Maintenance	4
Hangar 8 - Add exterior illuminated signage	\$15,000	FBO	4
Hangar 7 - Replace main lobby flooring	\$15,000	FBO	4
Hangar 10 - Add exterior "Hangar 10" signage similar to 11	\$15,000	FBO	4
Replace Line Shack HVAC	\$10,000		4
Hangar 10 - Purchase extra yellow hangar door bar (In case one breaks, h	\$10,000	FBO	4
Aquire Air Conditioning Recharge Cart	\$7,000	Airside Maintenance	4
Aquire Hydraulic Line Press	\$7,000	Airside Maintenance	4
Aquire Vehicle Mounted Herbicide Applicator	\$7,000	Airside Maintenance	4
Air operated penetrating nozzle kit	\$6,000	ARFF	4
<b>TOTAL LNAA COST</b>	<b>\$4,781,515</b>		
<b>ELIGIBLE FOR GRANT REIMBURSEMENT</b>	<b>-\$1,154,500</b>		
<b>TOTAL 2024 BUDGETED COST</b>	<b>\$2,458,685</b>		

<b>NOTES</b>			
2024 Cumulative Department Spending (Exhibit A)	Rating		Cost
<b>\$3,281,185</b>	<b>1</b>	<b>OPERATION CRITICAL</b>	<b>\$1,548,485</b>
	<b>2</b>	<b>REGULATORY</b>	<b>\$1,073,200</b>
	<b>3</b>	<b>HIGH</b>	<b>\$659,500</b>
	<b>4</b>	<b>LOW</b>	<b>\$1,500,330</b>

\* 2024 Cumulative Department Spending Depicted above and on Exhibit A is the subtotal of 1, 2, 3 projects.





**Lehigh Valley International Airport  
Queen City Airport  
Braden Airpark**

**EXHIBITS C - F  
PROJECTED CIP  
YEARS 2025-2028**



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

2025 Projected Capital Improvements	2025 Project Cost	LNA Share
<b>FAA &amp; STATE GRANT PROJECTS</b>		
<b>LEHIGH VALLEY INTERNATIONAL AIRPORT</b>		
FAA: Rehabilitate Taxiway A ( Mid Construction)/IV	\$2,800,000	\$280,000
FAA: Rehabilitate Taxiway A Lighting (Mid Construction)/II	\$645,000	\$64,500
FAA: Parallel Taxiway D (Construction)/II	\$12,300,000	\$1,230,000
FAA: Rehabilitate Air Carrier Apron (Design)/I	\$700,000	\$70,000
FAA: Rehabilitate Air Carrier Apron - Construction/II	\$2,351,000	\$235,100
FAA: Rehabilitate & Realign Terminal Roadways (Design)/I	\$1,208,000	\$120,800
FAA: Acquire (2) SRE Multi-Purpose Plow & Broom Units/I	\$1,600,000	\$160,000
State: Re-align Airport Access & Terminal Roadway - PH.II (Construction)	\$8,000,000	\$4,000,000
<b>LVIA Grant Projects Sub-Total</b>	<b>\$29,604,000</b>	<b>\$6,160,400</b>
<b>QUEEN CITY AIRPORT</b>		
FAA: Rehabilitate/Reconstruct Taxiway A (Design)/II	\$650,000	\$65,000
FAA: Acquire and Install AWOS	\$167,000	\$16,700
FAA: Terminal Improvements & Expansion (Design)/I	\$700,000	\$70,000
State: Construct Fuel Farm - PH. II (Construction)	\$1,650,000	\$825,000
<b>Queen City Grant Projects Sub-Total</b>	<b>\$3,167,000</b>	<b>\$976,700</b>
<b>BRADEN AIRPARK</b>		
State: Construct Runway Edge Lighting - PH.II (Construction)	\$1,300,000	\$650,000
<b>Braden Airpark Grant Projects Sub-Total</b>	<b>\$1,300,000</b>	<b>\$650,000</b>
<b>TOTAL FOR GRANT PROJECTS</b>	<b>\$34,071,000</b>	<b>\$7,787,100</b>
<b>MAJOR/RECURRING NON-GRANT PROJECTS</b>		
Replace Admin & Hangar 7 Windows	\$650,000	\$650,000
Rehabilitate ABE T-Hangars (Doors, Roof, Paint, etc.)	\$1,000,000	\$1,000,000
Construct Parking Garage & GSE Storage Bldg. - PH.III (Construction)	\$20,000,000	\$10,000,000
Terminal Improvements / Gate Expansion - PH.I (Design)	\$800,000	\$800,000
Replace Maintenance Facility Fuel Tanks - PH.II (Construction)	\$1,000,000	\$1,000,000
Rehabilitate/Replace Roofs (Bank, 995, 997, H1)	\$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>\$25,450,000</b>	<b>\$15,450,000</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>\$62,521,000</b>	<b>\$26,237,100</b>



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

2026 Projected Capital Improvements	2026 Project Cost	LNAA Share
<b>FAA &amp; STATE GRANT PROJECTS</b>		
<b>LEHIGH VALLEY INTERNATIONAL AIRPORT</b>		
FAA: Rehabilitate Taxiway A (East Construction)/V	\$4,400,000	\$440,000
FAA: Rehabilitate Taxiway A Lighting (East Construction)/III	\$1,486,000	\$148,600
FAA: Rehabilitate Air Carrier Apron - Construction/III	\$1,978,000	\$197,800
FAA: Rehabilitate Runway 13-31 (Design)/I	\$1,500,000	\$150,000
FAA: Rehabilitate/Expand Hangar 9 Apron (Design)/I	\$400,000	\$40,000
FAA: Rehabilitate & Realign Terminal Roadways (Construction)/II	\$4,210,000	\$421,000
State: Re-align Airport Access & Terminal Roadway - PH.III (Construction)	\$4,000,000	\$2,000,000
<b>LVIA Grant Projects Sub-Total</b>	<b>\$17,974,000</b>	<b>\$3,397,400</b>
<b>QUEEN CITY AIRPORT</b>		
FAA: Rehabilitate/Reconstruct Taxiway A (Construction)/III	\$3,200,000	\$320,000
FAA: Terminal Improvements & Expansion (Construction)/II	\$2,105,000	\$210,500
State: Terminal Improvements & Expansion - PH.II(Construction)	\$4,000,000	\$2,000,000
State: Construct Fuel Farm - PH. III (Construction)	\$1,650,000	\$825,000
<b>Queen City Grant Projects Sub-Total</b>	<b>\$10,955,000</b>	<b>\$3,355,500</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>\$29,229,000</b>	<b>\$6,902,900</b>
<b>MAJOR/RECURRING NON-GRANT PROJECTS</b>		
Construct Parking Garage & GSE Storage Bldg. - PH. IV (Construction)	\$20,000,000	\$10,000,000
Rehabilitate Maintenance Facility Parking Lot	\$1,000,000	\$1,000,000
Replace Maintenance Facility Fuel Tanks - PH.III (Construction)	\$1,000,000	\$1,000,000
Miscellaneous Airside / Landside Pavement Rehabilitation / Repairs / Crack Sealing	\$1,000,000	\$1,000,000
Terminal Improvments / Gate Expansion - PH.II (Construction)	\$1,500,000	\$1,500,000
<b>TOTAL MAJOR NON-GRANT PROJECTS</b>	<b>\$24,500,000</b>	<b>\$14,500,000</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>\$56,729,000</b>	<b>\$24,402,900</b>



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

2027 Projected Capital Improvements	2027 Project Cost	LNAA Share
<b>FAA &amp; STATE GRANT PROJECTS</b>		
<b>LEHIGH VALLEY INTERNATIONAL AIRPORT</b>		
FAA: Rehabilitate Runway 13-31 (Construction)/II	\$9,000,000	\$900,000
State: Construct Rental Car QTA - PH.I (Design)	\$1,000,000	\$500,000
<b>LVIA Grant Projects Sub-Total</b>	<b>\$10,000,000</b>	<b>\$1,400,000</b>
<b>QUEEN CITY AIRPORT</b>		
FAA: Rehabilitate/Reconstruct Taxiway A (Construction)/IV	\$3,200,000	\$320,000
State: Construct Hangars (T & Box Type) - PH. I (Design)	\$864,000	\$432,000
<b>Queen City Grant Projects Sub-Total</b>	<b>\$4,064,000</b>	<b>\$752,000</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>\$15,314,000</b>	<b>\$2,777,000</b>
<b>MAJOR/RECURRING NON-GRANT PROJECTS</b>		
N43 Misc. Hangar Repairs	\$350,000	\$350,000
Miscellaneous Airside / Landside Pavement Rehabilitation / Repairs / Crack Sealing	\$1,000,000	\$1,000,000
Terminal Improvements / Gate Expansion - PH.III (Construction)	\$1,500,000	\$1,500,000
<b>TOTAL MAJOR NON-GRANT PROJECTS</b>	<b>\$2,850,000</b>	<b>\$2,850,000</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>\$21,164,000</b>	<b>\$8,627,000</b>



**CAPITAL IMPROVEMENT PROGRAM  
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY  
EXHIBIT F: 2028**

2028 Projected Capital Improvements	2028 Project Cost	LNAA Share
<b>FAA &amp; STATE GRANT PROJECTS</b>		
<b>LEHIGH VALLEY INTERNATIONAL AIRPORT</b>		
FAA: Rehabilitate Runway 13-31 (Construction)/III	\$9,000,000	\$900,000
State: Construct Rental Car QTA - PH.II (Construction)	\$8,000,000	\$4,000,000
<b>LVIA Grant Projects Sub-Total</b>	<b>\$17,000,000</b>	<b>\$4,900,000</b>
<b>QUEEN CITY AIRPORT</b>		
FAA: Taxiway C Re-alignment & Rehabilitation (Design)/I	\$167,000	\$16,700
FAA: Construct SRE Building (Design)/I	\$650,000	\$65,000
State: Construct Hangars (T & Box Type) - PH. II (Construction)	\$3,700,500	\$1,850,250
<b>Queen City Grant Projects Sub-Total</b>	<b>\$4,517,500</b>	<b>\$1,931,950</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>\$22,767,500</b>	<b>\$7,456,950</b>
<b>MAJOR/RECURRING NON-GRANT PROJECTS</b>		
Miscellaneous Airside / Landside Pavement Rehabilitation / Repairs / Crack Sealing	\$1,000,000	\$1,000,000
<b>TOTAL MAJOR NON-GRANT PROJECTS</b>	<b>\$1,000,000</b>	<b>\$1,000,000</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>2028 GRAND TOTAL</b>	<b>\$26,767,500</b>	<b>\$11,456,950</b>



**Lehigh Valley International Airport  
Queen City Airport  
Braden Airpark**

**APPENDIX A**

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

Operating Expenses	Budget 2024	Budget 2023
Salaries and Wages	\$ 10,578,475	\$ 9,905,022
Payroll Taxes	797,567	747,234
Employee Benefits	4,249,972	4,205,264
<b>Subtotal - Personnel Costs</b>	<b>\$ 15,626,014</b>	<b>\$ 14,857,520</b>
Professional Services	665,023	474,684
Legal Services	433,600	314,700
Audit and Financial Services	95,700	84,200
Public Relations	70,600	92,200
Contract Services	1,962,786	1,927,210
Advertising Expense	438,050	386,750
Recruiting Expense	48,000	43,400
Printing	9,350	11,720
Postage	4,600	4,290
Dues and Subscriptions	1,073,181	804,349
Office Supplies	45,220	42,140
Telephone	128,756	153,904
Training and Seminars	165,825	163,350
Business and Travel Related	132,650	133,183
Hospitality	49,615	40,669
Equipment Rental	547,972	494,399
Materials & Supplies	925,134	827,534
Maintenance Repairs	846,500	817,980
Heating Gas & Oil	389,995	400,100
Electricity	1,123,700	1,187,900
Water	172,044	171,400
Refuse Collection	88,705	51,332
Uniforms	79,413	71,044
Insurance	870,600	685,577
Real Estate Taxes	160,000	271,200
Payment in Lieu of Taxes	654,213	594,330
Credit Card Fees	194,637	183,217
Bad Debt Expense	-	-
Miscellaneous	11,250	10,620
<b>Subtotal Other Operating Expenses</b>	<b>\$ 11,387,119</b>	<b>\$ 10,443,382</b>
<b>LESS: Federal Funds Applied to O&amp;M</b>	<b>\$ (2,701,000)</b>	<b>\$ (3,600,000)</b>
<b>Total Operating Expenses<sup>1 2</sup></b>	<b>\$ 24,312,133</b>	<b>\$ 21,700,902</b>
<b>COST OF SALES - NOT ALLOCATED</b>		
Cost of Sales - Aviation Services	6,688,772	6,954,827
Cost of Sales - GA Airports	1,316,360	1,065,068
<b>Subtotal Cost of Sales</b>	<b>\$ 8,005,132</b>	<b>\$ 8,019,895</b>
<b>Total Operating Expenses and COS</b>	<b>\$ 32,317,265</b>	<b>\$ 29,720,797</b>
<b>Total Operating Expense Allocation</b>		
Airfield	\$ 6,139,034	\$ 5,923,435
Terminal	8,790,625	7,820,314
Parking and Roadways	1,766,789	1,551,503
Aviation Leased Areas	644,405	675,284
Non-Aviation Leased Areas	371,960	435,626
Aviation Services	3,275,498	3,029,422
GA Airports	748,176	823,725
Advertising	177,974	108,985
Administration	5,098,671	4,932,608
Federal Relief Funds Applied to O&M	(2,701,000)	(3,600,000)
<b>Total Operating Expenses<sup>1 2</sup></b>	<b>\$ 24,312,132</b>	<b>\$ 21,700,902</b>

Source: Authority Management.

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

<sup>2</sup> O&M Expenses include \$1.1 million in one time expenses to be incurred in 2024 only.

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

<b>OPERATING REVENUE</b>	<b>Budget 2024</b>	<b>Budget 2023</b>
<b>Airfield:</b>		
Landing Fees	\$ 5,522,281	\$ 5,125,522
Apron Parking Fees	968,380	962,984
Bus Parking Fees	339,562	263,536
Security	77,607	79,746
<b>Total Airfield Fees</b>	<b>\$ 6,907,830</b>	<b>\$ 6,431,787</b>
<b>Terminal:</b>		
Airline Rent	\$ 5,908,287	\$ 5,343,923
Passenger Support Services	1,102,113	950,554
Concession & Other Rents <sup>1</sup>	650,828	670,890
Rental Cars	1,916,344	1,828,440
Restaurant/Newsstand	501,164	429,088
Other	45,293	37,290
Utility Fees & Other	27,000	30,000
<b>Total Terminal Rents</b>	<b>\$ 10,151,029</b>	<b>\$ 9,290,185</b>
<b>Parking &amp; Roadways</b>	<b>\$ 6,749,863</b>	<b>\$ 6,069,556</b>
<b>Aviation Leased Areas:</b>		
Hangar 1 Rental	\$ 69,108	\$ 62,729
Hangar 2 Rental	43,347	39,694
Hangar 3 Rental	401,285	462,265
Hangar 5 Rental	26,944	25,800
Hangar 7 Rental	383,463	344,370
Hangar 8 Rental	362,276	194,501
Hangar 9 Rental	925,371	857,047
Hangar 10 Rental	646,493	625,476
Hangar 11 Rental	939,161	802,601
T-Hangars	240,961	213,292
Air Cargo Building & Land Rents	354,784	251,453
Ramp, Gatecard Fees, and Other Income	60,216	60,744
<b>Total Aviation Leased Areas</b>	<b>\$ 4,453,409</b>	<b>\$ 3,939,972</b>
<b>Non-Aviation Leased Areas:</b>		
Building Rents	\$ 597,882	\$ 572,958
Land Rentals	652,023	509,780
<b>Total Non-Aviation Rents</b>	<b>\$ 1,249,905</b>	<b>\$ 1,082,738</b>
<b>Aviation Services:</b>		
Gross Fuel Sales	\$ 6,295,616	\$ 2,884,250
Landing Fees	278,000	364,954
Into Plan Fees	-	3,679,924
Hangar & Ramp Rentals	231,000	369,690
Ground Handling and Other	2,146,789	1,921,172
Miscellaneous Income	368,056	418,025
<b>Total Aviation Services</b>	<b>\$ 9,319,461</b>	<b>\$ 9,638,015</b>
<b>Advertising:</b>		
Advertising	\$ 741,562	\$ 477,513
<b>Total Advertising</b>	<b>\$ 741,562</b>	<b>\$ 477,513</b>
<b>GA Airports:</b>		
Hangar & Ramp Rentals	\$ 691,528	\$ 614,646
Fuel Sales - FBO	789,615	556,140
Into Plane Fees - FBO	132,197	120,950
Pilot Supplies Sales	-	300
Miscellaneous Income	5,915	9,317
<b>Total GA Airports</b>	<b>\$ 1,619,255</b>	<b>\$ 1,301,353</b>
<b>Total Operating Revenue<sup>2</sup></b>	<b>\$ 41,192,314</b>	<b>\$ 38,231,119</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 2024</b>	<b>Budget 2023</b>
Direct Operating Expenses	\$ 6,139,034	\$ 5,923,435
Indirect Operating Expenses	925,641	999,622
O&M Reserve Requirement <sup>1</sup>	11,802	28,545
Debt Service	17,210	17,195
Debt Service Coverage	4,302	4,299
Amortization of Capital Expenditures	<u>788,268</u>	<u>663,782</u>
Total Requirement	\$ 7,886,257	\$ 7,636,877
LESS: Apron Expenses <sup>2</sup>	706,468	692,306
LESS: Apron O&M Reserve	1,180	2,855
LESS: Previous Year's Debt Service Coverage	4,299	5,961
LESS: World Fuel Annual Incentive	-	-
LESS: Security Fee (35%)	77,607	79,746
LESS: Federal Relief Funds <sup>3</sup>	<u>1,275,000</u>	<u>1,500,000</u>
Net Requirement	<u>\$ 5,821,704</u>	<u>\$ 5,356,010</u>
Total Airline Landed Weight (000 lbs.)	1,115,942	1,109,053
Airline Landing Fee Rate (per 1,000 lbs.) <sup>4</sup>	\$ 5.22	\$ 4.83
Airline Landing Fees	\$ 5,821,704	\$ 5,356,010

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

<sup>2</sup> Equals 10% of Direct and Indirect Airfield expenses.

<sup>3</sup> Federal funds applied in the 2024 Budget calculation represent the maximum amount to be used, however, the amount is not guaranteed.

<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 2024</b>	<b>Budget 2023</b>
Direct Operating Expenses	\$ 706,468	\$ 692,306
O&M Reserve Requirement <sup>1</sup>	1,180	2,855
Amortization of Capital Expenditures	72,788	72,788
<b>Total Requirement</b>	<b>\$ 780,436</b>	<b>\$ 767,948</b>
LESS: Federal Relief Funds	\$ -	\$ -
LESS: Non-Signatory Paid Premiums/Diversions	-	-
<b>Net Requirement</b>	<b>\$ 780,436</b>	<b>\$ 767,948</b>
Total Airline Landed Weight	1,115,942	1,109,053
<b>Annual Passenger Carrier Apron Fee <sup>2</sup></b>	<b>\$ 0.70</b>	<b>\$ 0.69</b>
<u>Cargo Carrier Surcharge</u>		
Amortization for Cargo Apron	\$ 228,083	\$ 228,083
Cargo Landed Weight	628,146	655,327
Cargo Carrier Surcharge	\$ 0.36	\$ 0.35
<b>Annual Cargo Carrier Apron Fee</b>	<b>\$ 1.06</b>	<b>\$ 1.04</b>
<b>Total Apron Requirement</b>	<b>\$ 1,008,519</b>	<b>\$ 996,032</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 2024</b>	<b>Budget 2023</b>
Direct Operating Expenses	\$ 8,790,625	\$ 7,820,314
Indirect Operating Expenses	1,633,316	1,448,696
O&M Reserve Requirement <sup>1</sup>	96,244	142,220
Debt Service	2,332,047	2,014,492
Debt Service Coverage	583,012	503,623
Amortization of Capital Expenditures	1,961,815	1,428,731
<b>Total Requirement</b>	<b>\$ 15,397,059</b>	<b>\$ 13,358,075</b>
LESS: Previous Year's Debt Service Coverage	503,623	458,872
LESS: Passenger Support Services <sup>2</sup>	1,102,113	950,554
LESS: Security Fee (65%)	144,127	148,099
LESS: Federal Relief Funds <sup>3</sup>	1,226,000	600,000
<b>Net Requirement</b>	<b>\$ 12,421,195</b>	<b>\$ 11,200,550</b>
Total Rentable Space	80,776	78,944
Total Administrative Space	5,877	5,877
Total Rentable and Admin Space	86,653	84,821
<b>Terminal Rental Rate Before Revenue Share</b>	<b>\$ 143.34</b>	<b>\$ 132.05</b>
Airline Space	54,786	54,786
Common Use Space	45,970	45,970
Exclusive Space	8,816	8,816
Airline Rented Space	54,786	54,786
Airline Terminal Rental Revenue Before Revenue Share	\$ 8,183,287	\$ 7,618,923
Additional Revenue Support: Federal Relief Funds <sup>3</sup>	(200,000)	(1,500,000)
Voluntary Airport Adjustment (Revenue Share) <sup>3</sup>	(2,075,000)	(775,000)
<b>Airline Terminal Rental Revenue</b>	<b>\$ 5,908,287</b>	<b>\$ 5,343,923</b>
Terminal Rental Revenue - Common Use (subject to 60/40 Split)	\$ 4,957,573	\$ 4,484,022
Terminal Rental Revenue - Exclusive Space	950,714	859,901
<b>Total Airline Terminal Rental Revenue</b>	<b>\$ 5,908,287</b>	<b>\$ 5,343,923</b>
<b>Terminal Rental Rate <sup>4</sup></b>	<b>\$ 107.84</b>	<b>\$ 97.54</b>

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

<sup>2</sup> Represents the charges associated with customer service in the Airport (ex. Curbside check in assistance).

<sup>3</sup> Federal funds and the Voluntary Revenue Share applied in the 2024 Budget calculation represent the maximum amount to be used, however, the amount is not guaranteed.

<sup>4</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>2024</b>	<b>2023</b>
Common Use Requirement	\$ 4,957,573	\$ 4,484,022
60% of Requirement	\$ 2,974,544	\$ 2,690,413
Scheduled Enplanements <sup>1</sup>	422,780	410,160
Budgeted Fee per Enplanement	\$ 7.04	\$ 6.56
40% of Requirement	\$ 1,983,029	\$ 1,793,609
Scheduled Operations <sup>1</sup>	4,499	4,654
Budgeted Fee per Passenger Operations	\$ 440.77	\$ 385.39
<b>Projected By Airline</b>		
Allegiant	\$ 2,604,970	\$ 2,049,872
American	962,927	1,184,933
Delta	861,034	748,437
United	528,642	500,780
<b>Total</b>	<b>\$ 4,957,573</b>	<b>\$ 4,484,022</b>

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

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

<b>Common Use Calculation</b>	<b>Budget</b>	
	<b>2024</b>	<b>2023</b>
Exclusive Space Requirement	\$ 950,714	\$ 859,901
Exclusive Space by Airline		
Allegiant	3,612	3,612
American	2,378	2,378
Delta	1,585	1,585
United	1,240	1,240
Total	8,816	8,816
Projected By Airline		
Allegiant	\$ 389,528	\$ 352,320
American	256,477	231,978
Delta	170,958	154,628
United	133,752	120,976
Total	\$ 950,714	\$ 859,901

**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>2024</b>	<b>2023</b>
Passenger Airline Landing Fees <sup>1</sup>	\$ 2,544,756	\$ 1,960,715
Airline Terminal Rents	5,908,287	5,343,923
Passenger Airline Apron Revenue <sup>1</sup>	341,140	281,129
Passenger Support Services	1,102,113	950,554
Security Surcharge <sup>2</sup>	221,735	227,845
<b>Total Airline Revenues <sup>3</sup></b>	<b>\$ 10,118,031</b>	<b>\$ 8,764,165</b>
Enplanements <sup>4</sup>	464,669	455,689
<b>Airline Cost Per Enplanement</b>	<b>\$ 21.77</b>	<b>\$ 19.23</b>

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

<sup>2</sup> Security Surcharge is \$0.50 per enplaned passenger. Including bus services that use the security checkpoint.

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

<sup>4</sup> Includes the bus traffic.

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

<b>Cash Flow and Net Revenue Requirement</b>	<b>Budget</b>	
	<b>2024</b>	<b>2023</b>
Airline Landing Fees	\$ 5,522,281	\$ 5,125,522
Airline Apron Fees	968,380	962,984
Airline Terminal Rentals <sup>1</sup>	5,908,287	5,343,923
Nonairline Revenues <sup>2</sup>	20,788,235	18,778,795
Federal Funds Applied to Debt Service	-	-
Operating Revenues <sup>2</sup>	\$ 33,187,182	\$ 30,211,224
Operating Expenses	27,013,132	25,300,902
CARES Act Funds Applied to O&M Expenses	(2,701,000)	(3,600,000)
Net Operating Income	\$ 8,875,050	\$ 8,510,322
Debt Service	\$ 5,552,378	\$ 5,184,841
O&M Reserve Requirement	285,372	588,638
Renewal and Replacement Requirement	-	-
Subordinated Indebtedness	-	-
Deposit to General Fund Before Capital Expenditures	3,037,300	2,736,843
Net Operating Income	\$ 8,875,050	\$ 8,510,322
Plus: Transfers		
Coverage from Landing Fee	4,302	4,299
Coverage from Terminal Rate	368,608	325,292
Transfers	-	-
Net Revenues	\$ 9,247,960	\$ 8,839,912
Debt Service	\$ 5,552,378	\$ 5,184,841
Net Revenue Requirement <sup>3</sup>	1.67	1.70

<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 2024 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	\$ 1,266,015	\$ 579,526	\$ 355,685	\$ 319,824
Airline Terminal Rents	2,994,497	1,219,404	1,031,992	662,393
Passenger Airline Apron Revenue	169,717	77,689	47,682	42,874
Passenger Support Services	654,072	217,697	152,497	74,944
Security Surcharge <sup>2</sup>	131,593	43,799	30,681	15,078
<b>Total Airline Revenues</b>	<b>\$ 5,215,895</b>	<b>\$ 2,138,115</b>	<b>\$ 1,618,537</b>	<b>\$ 1,115,114</b>
<b>Enplanements <sup>3</sup></b>	<b>263,186</b>	<b>87,597</b>	<b>61,362</b>	<b>51,356</b>
% Change from 2023 Budget	16.1%	-17.8%	2.4%	-17.3%
<b>Airline Cost Per Enplanement</b>	<b>\$ 19.82</b>	<b>\$ 24.41</b>	<b>\$ 26.38</b>	<b>\$ 21.71</b>
% Change from 2023 Budget	8.6%	16.1%	11.8%	39.8%

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

<sup>2</sup> Security Surcharge is \$0.50 per enplaned passenger.

<sup>3</sup> Includes Bus traffic.



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

<b>Ground Handling Fee per Turn</b>	<b>Budget</b>	<b>Budget</b>
	<b>2024</b>	<b>2023</b>
<b><u>Estimated Ground Handling Fee</u></b>		
Estimated Salary Cost Per Hour	\$ 25.77	\$ 24.54
Benefits/Payroll Tax %	54%	54%
Est. Hours per Turn	18	18
Est. Non Salary Expense %	19%	15%
<b>Estimated Ground Handling Fee per Turn</b>	<b><u>\$ 849.97</u></b>	<b><u>\$ 782.29</u></b>
<b>Additional Services (Lav, Catering, RON Cleaning) Cost per Turn</b>	<b>\$ 60.00</b>	<b>\$ 60.00</b>
<b>Total Fees per Turn</b>	<b>\$ 909.97</b>	<b>\$ 842.29</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 2024 Budget is set at a rate of 1.67 times the aggregate debt service. Following is that computation:

* Net Revenues	\$	9,247,960
** Aggregate Debt Service	\$	5,552,378
Coverage: Net Revenues / Aggregate Debt Service	\$	1.67

\* 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.