

Budget & Finance Advisory Committee Resolution April 26, 2014

WHEREAS, by Resolution 2014-147, dated February 6, 2014, the Town Board tasked the Budget & Financial Advisory Committee with undertaking a financial analysis of the East Hampton Town Airport, including Airport income and expenses as well as new revenue streams which can serve as a baseline of agreed upon data for further discussions and policy decisions by the Town Board, and

WHEREAS, extensive research and analysis of airport income and expenses has been undertaken by the committee over the course of the last three months, with a focus on obtaining reasonable estimates of airport net cash flow under various operating scenarios to determine debt coverage to pay interest and principal on possible bonding for airport capital projects, it being the Town Board's desire to have the airport operate without cost to taxpayers,

NOW, THEREFORE, BE IT RESOLVED that the committee makes the following conclusions:

1. Based on continued growth of revenue and expense at rates approximately equal to those of the last 5 years, our preliminary conclusion is that there will be sufficient revenue from airport operations and properties to adequately service additional bonding in 2014 of at least \$4.35 million and at least \$5.1 million in aggregate between 2014 and 2018 (even if revenues were to decrease because of a reduction of the volume or complete elimination of helicopter operations and a strict curfew approved), with sufficient safety margin to ensure that the Town is not likely to have to pay debt service from other Town funds.
2. In the event revenue enhancement opportunities are subsequently identified and approved by the Town Board, such additional revenues could serve to support additional bonding for capital projects, build reserves and/or reduce borrowing.