



Legislation Text

File #: 22-2166, Version: 1

STRATEGIC PRIORITY: Transportation & Infrastructure
AGENDA DATE: September 28, 2022
COUNCIL DISTRICT(S): N/A
DEPARTMENT: Office of Government Affairs
EXECUTIVE: T.C. Broadnax

SUBJECT

A resolution to approve the Dallas Fort Worth International Airport Board's FY 2023 budget - Financing: No cost consideration to the City (This item was deferred on September 14, 2022)

BACKGROUND

The Dallas Fort Worth International Airport Board (DFW Airport Board) is requesting and recommending that the owner cities of Dallas and Fort Worth approve its fiscal year (FY) 2023 budget. The total budget is \$1.173 billion, a \$133.4 million (12.8%) increase over the FY 2022 budget. Total passengers are budgeted at a record 78.3 million in FY 2023, a 6.8 million (9.5%) increase over the FY 2022 Outlook and 6.8% higher than FY 2019 (pre-pandemic); and non-airline revenues are budgeted at a record \$476.5 million, a \$51.3 million (12.5%) increase over the FY 2022 Outlook and 19.3% more than FY 2019.

The FY 2023 Operating Expenditure Budget is \$618.4 million, a \$54.6 million (9.7%) increase from the FY 2022 Outlook due primarily to costs related to increased passengers, fixed contract increases already approved by the DFW Airport Board, inflation in service contracts, parts, and fuel; and investments in digital technology. The budget includes a 5% merit pool.

The debt service budget is \$554.8 million, a \$78.7 million (16.5%) increase from the FY 2022 Outlook primarily due to the issuance of \$1.3 billion of new debt in April and July 2022 to finance DFW Airport's capital programs, partially offset by savings from past refundings.

Airline rates and charges will rise approximately \$120 million (25.3%) beginning January 1, 2023. DFW Airport will charge lower rates, the same to FY 2022, for the first quarter of FY 2023 in an attempt to get a new Use Agreement signed. If this is accomplished, DFW Airport will utilize some of its remaining Federal Relief Proceeds (approximately \$214 million) to reduce airline charges for the last three quarters of the fiscal year.

The budget was briefed to the DFW Airport Board on August 2, 2022. In accordance with the 1968 Contract and Agreement between the Cities of Dallas and Fort Worth, the Airport Board must submit the approved budget to the Owner Cities by August 15 of each year. The Airport Board formally approved the budget on August 4, 2022 and submitted to the Owner Cities by August 15, 2022.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Government Performance & Financial Management Committee was briefed on the FY 2023 budget on August 22, 2022.

On September 14, 2022, this item was deferred by Deputy Mayor Pro Tem Omar Narvaez.

FISCAL INFORMATION

No cost consideration to the City.