

MEMORANDUM

DATE: April 14, 2023

SUBJECT: EXECUTIVE SUMMARY FOR APRIL 19, 2023 BOARD MEETING

GENERAL BOARD MEETING ACTION ITEMS:

CONSENT AGENDA: Items on the consent agenda are considered routine and can be approved by a single motion. Board members may ask that an item be removed from the Consent Agenda and considered individually. The following items are listed on the Consent Agenda.

1. **Approval of Minutes:** Presented for Board review and approval are the minutes from the regular Board meeting held on March 15, 2023 and the Special Board meeting, in the form of the general aviation and budget workshop, held on March 15, 2023.
2. **On-Call Cybersecurity and IT Consulting Agreement:** Staff published an RFQ for On-Call IT and Cybersecurity services in February, 2023. Staff is seeking a consultant firm to support airport staff and provide subject matter expertise on IT and cybersecurity issues. This On-Call Agreement is a base agreement and does not have any initial costs associated with it. Work conducted under this On-Call Agreement will be brought to the Board as a Task Order (Amendment) to the On-Call Agreement that includes a specific Scope of Work and associated fee. Having an On-Call Agreement in place allows staff to have a contractual, relationship in place as needs arise. Additionally, some federal grants require a qualifications-based procurement process to have been undertaken, and having this On-Call Agreement in place allows us to meet this requirement and move quickly on any applicable funding opportunities.

In response to the RFQ, the airport received four proposals. A selection committee reviewed the four proposals carefully and is recommending Barich, Inc. to the Board as the On-Call Cybersecurity and IT consultant. This agenda item is the On-Call Agreement with Barich Inc. for these services.

3. **Resolution 2023-05: Insurance Requirements:** The purpose of this Resolution is to establish uniform Board policies on risk management and insurance, coverage requirements, and required contract provisions. This Resolution can be reviewed on a regular basis moving forward. All new and amended contracts the Board will enter into will reference this Resolution in lieu of each contract containing specific insurance coverage requirements. This will streamline our processes for any changes to insurance requirements that may be implemented in the future.
4. **Resolution 2023-06: Wyoming Cooperative Liquid Assets Securities System (CLASS):** The Wyoming Cooperative Liquid Assets Securities System

(CLASS) allows for political subdivisions in the state of Wyoming to invest jointly with other investors in a commingled fund of investments. Wyoming CLASS is a conservative investment vehicle (rated AAAM) and is designed as a stable NAV investment pool. Wyoming CLASS also offers favorable interest rates. As of April 9th, the Daily Yield is 4.8607% and the YTD Yield is 4.5903%. To register for Wyoming CLASS, the Board must pass this resolution and subsequently staff will need to complete the application process.

5. **Sun Country Airlines Maintenance Agreement with Jackson Hole Flight Services:** Jackson Hole Flight Services will provide on-call maintenance services for the airlines on an as needed basis. Each airline has a different process for sourcing maintenance at airports they do not have mechanics. Sun Country Airlines requires that the maintenance provider sign an agreement to provide these services. This agreement is straightforward and outlines the relationship between Jackson Hole Flight Services mechanics and Sun Country Airlines. Sun Country Airlines anticipates providing limited service this summer.
6. **Delta Airlines Maintenance Agreement with Jackson Hole Flight Service:** Similar to the Sun Country Airlines item, this Agreement with Delta Airlines is required by the airline to allow Jackson Hole Flight Service mechanics to work on Delta Aircraft on an as needed basis. The Delta Airlines agreement is slightly more detailed than the Sun Country agreement, but covers the same general topics.
7. **Standard Forms of FBO Agreements:** These standard forms of agreement will be used by Jackson Hole Flight Services. These agreements will fall under the Delegation of Authority Resolution that the Board approved at the March Board Meeting. After Board approval of these agreements, the Executive Director (or designee) will have the authority to enter into the agreements without each individual agreement going to the Board for approval at a meeting. This will allow the FBO to operate efficiently and not unduly burden the Board. A brief overview of each of the agreements is below.

Temporary Storage Permit: This form of agreement will be used for short-term hangar rentals. This will be a frequently used agreement for any transient aircraft that arrives at the FBO and asks to have their aircraft stored in a hangar (pending space availability).

Storage Agreement: This form of agreement is to be used for longer-term relationships with FBO customers. This agreement can be used for Hangar Rentals, Tie Down Spaces, Garage Spaces for Vehicle Storage, or Office Spaces for individuals and/or businesses that also have an aircraft based at the airport. This agreement has clauses in it that allows either party to cancel with 30 days' notice which gives us the necessary flexibility to ensure we are operating the most efficient business possible.

Maintenance Work Order: This form of agreement is to be used for any maintenance services conducted by the FBO on an as needed basis. This form of agreement will not be used with the airlines.

Non-Tenant Use Agreement: This form of agreement will be used for any vendor that advertises for or conducts business at the airport on a regular basis. Examples of the type of vendor that would use this form of agreement would be an aircraft detailer, vehicle detailer, catering company, etc..

Commercial Aeronautical Use Agreement: This form of agreement will be used for any aeronautical business that is based at the FBO.

TERMINAL COMMUNICATIONS PROGRAM OVERVIEW: Meg Jenkins, Communications and Customer Experience Manager, will provide an overview of the proposed Terminal Communications Program.

FINANCIAL REPORTS: Included for approval are the financial report for the periods ended March 31, 2023. Net revenues through the end of March was \$6,057,269 which is 42% above the amended budget. The financial dashboard for March has been included in the Board book.

FY 2023/2024 BUDGET: Proposed for approval is the FY 2023/2024 budget. This year we are presenting the budget with three enterprise centers and six cost centers. The enterprise centers include the Fuel Farm, Airport Operations, and Fixed Based Operator (FBO). With the close out of the security screening services, the Security Operations enterprise center has been removed and the remaining security activities have been reallocated into the Airport Operations and FBO enterprise centers. The six specific cost centers remain unchanged from prior years and include: airfield, landside, terminal, other buildings and grounds, environmental, and community outreach. Included in this budget are adjustments in:

- Terminal rents
- Landing fees
- Personnel expenses
- Maintenance costs as required for the infrastructure at the airport.

Once approved by the Board the budget will be forwarded to the Town and County for their action. Currently this is expected to occur at the April 25 JIM meeting between the Town and County.

The complete budget document follows this meeting summary.

GSA LEASE AMENDMENT – TSA LEASE SPACE: As you know, TSA will take over screening operations at the Airport on May 1, 2023. In order to effectively conduct screening operations, TSA will need to lease several offices, a training room, an employee breakroom, and space for storage. Staff is currently working with the General Services Administration (GSA) on the space lease. GSA handles all leases for TSA. We have identified the available space and provided the information to TSA along with our rates. We are continuing to work with GSA/TSA on finalizing the lease amendment, but they have numerous steps they must navigate on their end and it takes some time.

The lease amendment will be the 2nd Lease Amendment to an existing agreement with GSA/TSA for the existing lease of an office at the Airport. The Amendment will be in the same form as Amendment #1.

The motion for this action item will authorize the Board President to sign the Lease Amendment once the square footage to be leased has been finalized, after review by the Executive Director and Airport Attorney.

ON-CALL ENGINEERING AGREEMENT: The existing agreement with Jviation for the Airport's On-Call Engineering Services expires in December of 2023. On-Call Engineering Services are critical for the Airport to operate effectively and move forward with Capital Projects. The FAA requires that a qualifications based selection process is used every five-years to select an engineering firm. In order for projects to be eligible for federal grant funds, this qualifications based selection process must be utilized. A Request For Qualifications (RFQ) was published for this subject in February. Two proposals were received in response to the RFQ; one from Jviation to continue their relationship with the Airport and one from EXP. The Selection Committee reviewed the proposals as well as did interviewes with both firms. The Selection Committee is recommending Jviation as the On-Call Engineer with a base contract term of five years.

This is an on-call agreement which means any services conducted under this agreement must be part of the base agreement and will be approved by the Board. Jviation will submit a Scope of Work and associated fees for each task and an associated Amendment will be brought to the Board for consideration. Any tasks that are federally funded require an Independent Fee Estimate (IFE) to be conducted, which is a third party analysis of the proposed fees to make sure they are reasonable. The IFE is required to be within 10% of the proposed fees. If the IFE is outside the 10%, the fees must be negotiated with the on-call engineer.



JACKSON HOLE AIRPORT OPERATING BUDGET 2023-2024

The following document presents the Jackson Hole Airport Board's operating budget for the Fiscal Year Ending June 30, 2024

Accounting & Finance Department

1250 E. Airport Rd.
Jackson, WY 83001
307-733-7695

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Background

The following pages present the Jackson Hole Airport Board's ("the Board") operating budget for fiscal year 2023/2024. The Board consists of five members jointly appointed by the Town and County. The Joint Powers Agreement sets forth the terms by which the Town, County and Airport operate. Under this agreement, the Town and County annually review the Airport Budget. The Town and County also sign all FAA grant agreements as co-sponsors. The Board operates under the authority of both an Airport Board under Wyoming State Statute and as a Joint Powers Board and holds ownership of all facilities, equipment, lease holdings and operating rights.

The Board adopted a Certificate of Organization on January 2, 1968, pursuant to the Town of Jackson Ordinance and Board of Teton County Commissioners Resolution officially forming the Airport Board and electing officers. Annually the Certificate of Organization is renewed, and new officers are elected as appointed by the Town and County. For the year February 1, 2023 – January 31, 2024, the slate of officers is: Ed Liebrecht, President; Valerie Brown, Vice President; Rob Wallace, Treasurer; Melissa Turley, Secretary; and Bob McLaurin, Member. The Board operates the Airport inside the boundaries of Grand Teton National Park ("the Park") under a Use Agreement with the U.S. Department of Interior.

The Board's fiscal year is from July 1 – June 30 each year. Once the Board approves the budget, it is submitted to the Town and County for review by May 1st of each year. The Board approves changes to the rates and charges prior to July 1 by resolution. These changes may include ground transportation fees, parking fees, rents, and other standard fees. The Board approved rates and charges can be found on the airport website at <https://www.jacksonholeairport.com/airport-board/records-reports/>.

The Board operates the Airport as a business enterprise to be financially self-sufficient. The Airport does not have the authority to tax and does not use local tax dollars, property tax or sales tax for operations. The Airport is funded primarily by fees paid by airport users, including airlines and businesses that operate at the airport. The airport is a key piece of infrastructure for our community, connecting citizens and employers to the country and globally. The airport supports not just passenger travel but also search and rescue, wildland firefighting, air medical, the National Park Service and Wyoming Game and Fish, among many other activities. More specific information on the airport's local and statewide benefits can be found on the Wyoming Department of Transportation website at: (<https://www.dot.state.wy.us/home/aeronautics/2020-aviation-economic-impact-study.html>).

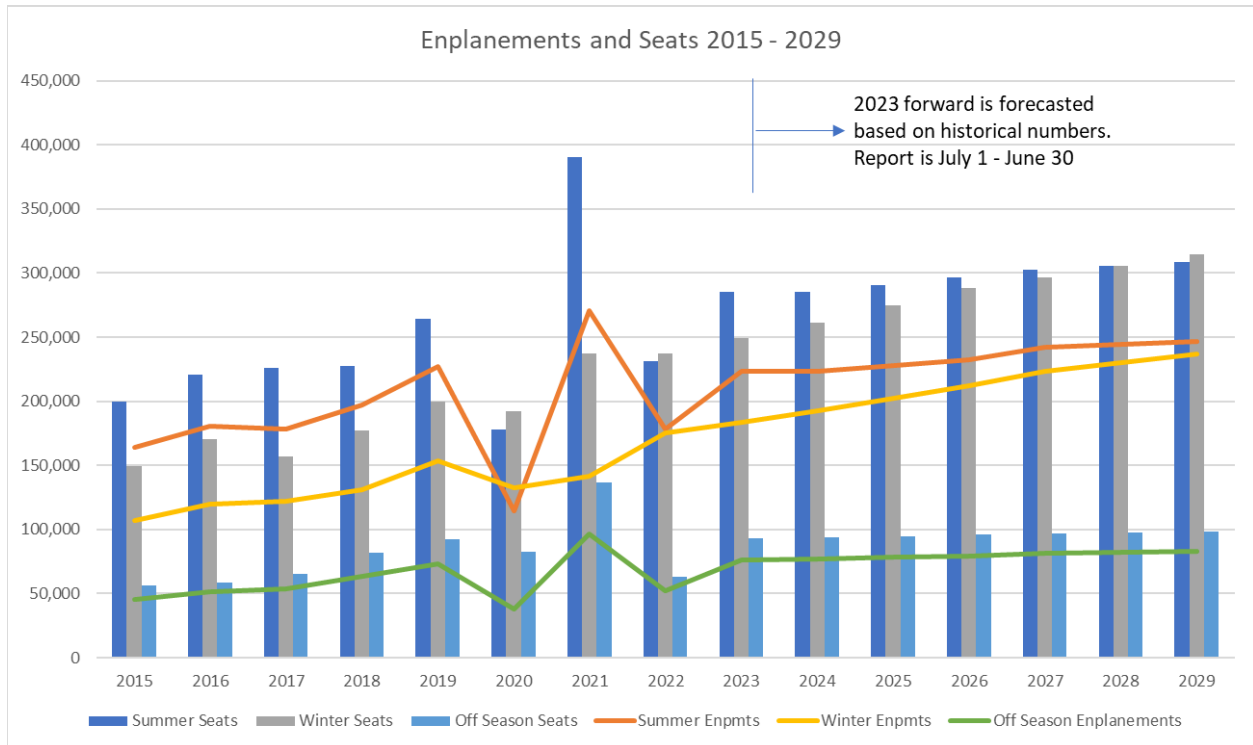
Budget Goals

The goals for this budget cycle are as follows:

- Operate a safe, secure, and environmentally responsible airport.
- Fiscal responsibility – execute a financial plan that provides the resources necessary to achieve objectives while maintaining a strong financial position.
- Provide services that exceed customer expectations.
- Community relationships.
- Deliver and maintain world-class facilities.
- Attract, develop, and retain high performing employees – Employer of Choice.

Airport Activity

Reviewing the Airport's activity numbers is important to planning long-term needs for infrastructure, staffing, and operations. While enplanements at the Airport showed growth through 2019, the pandemic had a national impact on air travel. Across the country, travel has nearly recovered with domestic travel approaching 2019 levels. The numbers in the forecast below represent a "best estimate" following conversations with the airlines and considering the dynamic environment that currently exists related to post pandemic travel recovery and current economic conditions.



Jackson Hole Airport Board Budget Summary

This year we are presenting the budget with three enterprise centers and six cost centers. The enterprise centers are Airport Operations, Fuel Farm, and Fixed Based Operator (FBO). The previous Security Operations enterprise center is no longer included in the budget because the airport will not be operating the security screening operation as of May 1, 2023. The remaining airport security functions will be reflected under the other three enterprise centers. These security functions broadly include access and security controls at the airport, night security and law enforcement presence. The Airport will operate the fixed base operation under the name Jackson Hole Flight Services. Where appropriate, cost center expenses have been allocated between the Operations and the FBO enterprise centers. The six specific cost centers listed below remain unchanged from prior years: airfield, landside, terminal, other buildings and grounds, environmental, and community outreach. Revenues, expenses and cost centers for the various enterprise centers and their associated cost centers are outlined in the following pages.

Presented on the following page is a chart summarizing the Airport Board's total budget for fiscal year 2023/2024.

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Revenues		2023-2024
	Airport Operations	23,660,021
	Fuel Farm Operations	23,262,491
	FBO Operations	41,491,593
Debt Service Revenue	Fuel Fees	2,503,140
	Passenger Facility Charges	1,900,000
	Customer Facility Charges	1,700,000
Total Revenue		94,517,245
Expenses		
	Airport Operations	(21,857,121)
	Fuel Farm Operations	(24,226,899)
	FBO Operations	(35,685,618)
Debt Service Expense	Rental Car QTA (DSC=1.25x)	(1,360,606)
	Fuel Farm (DSC=2.63x)	(950,278)
	FBO - Hangars (DSC=4.89x)	(613,615)
	Restaurant (DSC=1.78x)	(3,807,331)
Total Expense		(88,501,469)
	Net Income	6,015,776
Capital and Debt Sources		
	Federal Grants	27,586,753
	State Grants	2,982,820
	Other Grants	-
	Bond Funding	39,265,000
Total Capital and Debt Sources		69,834,573
Capital Expenditures		
	FBO	(39,499,000)
	Terminal	(60,000)
	Airfield	(30,735,931)
	Landside	-
	Equipment	(3,703,387)
	Small Capital Projects	(945,000)
Total Capital Expenditures		(74,943,318)
	Subtotal Capital and Debt	(5,108,745)
To/(From) Net Reserves		907,032
Unrestricted Cash Balance Forecast FYE Prior Year		10,085,741
Unrestricted Cash Balance Forecast FYE Budget Year		10,992,773
To/(From) FBO Reserves		3,000,000
Unrestricted FBO Balance Forecast Prior Year		-
Unrestricted FBO Balance Forecast Budget Year		3,000,000
Total Unrestricted Cash Balance Budget Year		13,992,773

Airport Operations

The Airport operating budget is a stand-alone enterprise center separate from fuel farm operations and FBO operations. All revenues generated from the operation of this enterprise center, including rents, landing fees, and other operating fees, will be used to offset the expenses related to airport operations. The year-end balance expected from airport operations including the reclassification of security income and expenses is anticipated to be -\$104,432 after debt service. The specific details for the airport operations enterprise center are outlined on pages 6-14. The Airport's capital plan can be found on pages 18-19.

Fuel Farm

The fuel farm operation has been set up with an individual operating budget as an enterprise center, which includes income, expense, and debt service payment. Fuel sales have been adjusted based on predicted activity levels for the upcoming budget year. Income includes fuel and glycol revenues, the administration fee on fuel and glycol, and the fees on fuel delivered. Fuel farm expenses include fuel and glycol purchases, glycol recovery and trucking expenses, labor, overhead and maintenance expenses at the fuel farm, and glycol recapture pad and debt service. Year-end income anticipated to be received from the fuel farm operations is \$588,454 after debt service. The fuel farm enterprise center information is detailed on page 15.

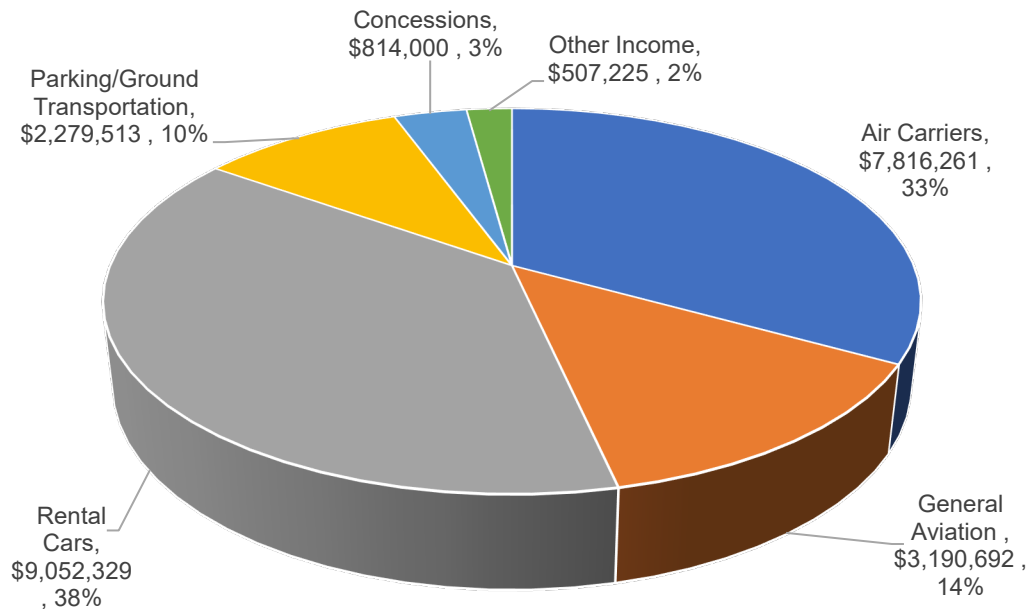
Fixed Base Operation

The FBO provides aeronautical services for both general aviation and airline aircraft. Additionally, it supports private aviation passengers and crew. The FBO has been set up as the third enterprise center with an individual operating budget that includes income, expense, labor, and debt service. Debt service in the FBO enterprise center covers the cost of the Hangar 3 construction project. Year-end net income anticipated to be received from the FBO is \$8,192,360 after debt service including FBO reserve funds. The FBO enterprise center information is detailed on pages 16-17.

Airport Operations Revenue Summary

The Airport does not have the authority to tax and does not use local tax dollars, property tax or sales tax for operations. Aeronautical revenues are collected from both the fixed base operator and the airlines as well as other aeronautical users of the airport. Non-aeronautical revenues are collected from a variety of sources including terminal concessions, rental cars, and parking. These revenue streams are used to fund cost center expenses. There are six profit centers for airport operations including air carriers, rental cars, general aviation, concessions, parking/ground transportation, and other income. A more detailed review of the anticipated revenues and sources for each of these profit centers is below.

Airport Operations Income Budget FY 2023/2024



Air Carriers

Air Carrier income is derived from two sources: landing fees and terminal rents. These revenues are used to offset expenses related to the airfield and terminal operations. Travel to the Jackson Hole area is expected to remain steady through the next fiscal year. Landing fees are calculated on a maximum certified gross weight (CGW) basis and will adjust to \$6.52 per 1,000 pounds landed CGW.

Air carrier revenue is expected to be \$7,816,261 in fiscal year 2023/2024. Of this, \$4,144,406 is terminal space rental and the remaining \$3,671,855 is landing fees.

Rental Cars

Rental car revenue is predominantly composed of minimum annual guarantee amounts (MAGs). The rental car agreements were bid in 2020 in an open competition process that established the MAGs. By contract, the on-airport rental car companies are required to pay 10% of gross revenue or their MAG, whichever is higher. The rental cars also pay rent for space in the terminal and parking lot (including storage spaces) to help

offset the expenses related to the terminal and landside cost centers. The terminal rent is calculated at the same rate as that charged to the air carriers. Finally, the rental cars pay operations and maintenance costs and rent for the use of the rental car quick turnaround (QTA) car wash facility. These fees help to offset the cost of operating the QTA facility. Finally, off airport rental cars pay 10% of gross revenue for airport operations. The rental car revenue for fiscal year 2023/2024 is anticipated to be \$9,052,329.

General Aviation

The general aviation revenue source includes landing fees collected from general aviation users as well as concession fees and rents received from the fixed base operator and general aviation contracts. General aviation revenue is used to help pay for airfield costs as well as environmental costs and general aviation share of costs related to snow removal and ARFF. General aviation landing fees have been adjusted to \$7.21 per 1,000 pounds CGW this year. The general aviation revenue stream is budgeted to be \$3,190,692 for fiscal year 2023/2024.

Concessions

Much of the income from concessions is received from restaurant revenue. All concession revenue is dependent on activity levels. The restaurant revenue is composed of either a percentage of gross revenue or minimum annual guarantee. The operator pays whichever amount is higher. In addition to restaurant revenue, additional concession income is received from catering. The concession revenue stream helps to fund the terminal cost center. Revenue is budgeted to be \$814,000 for the fiscal year 2023/2024.

Parking/Ground Transportation

Parking and ground transportation revenue includes parking fees and ground transportation access fees. This income will help to support the maintenance and upgrades of the airport's roadways and parking lots. For fiscal year 2023/2024, parking/ground transportation income is budgeted to be \$2,279,513.

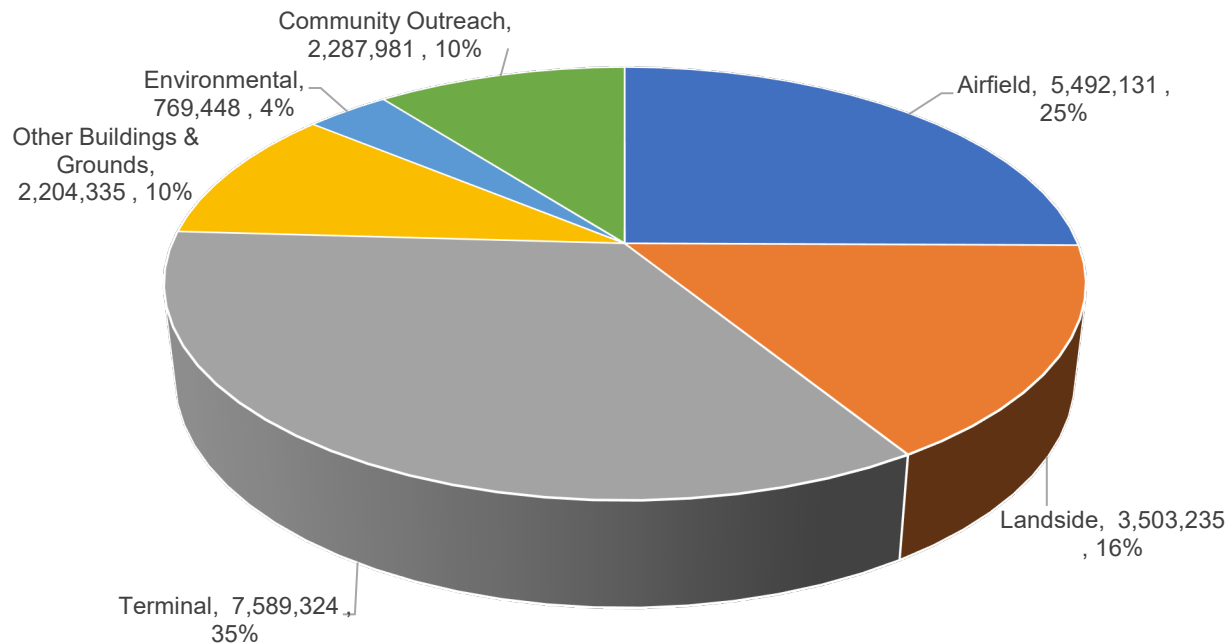
Other Income

Other income includes interest income, advertising income, and other airport revenue received from smaller lessees such as the cell tower or brochure space agreements. The budgeted amount for fiscal year 2023/2024 is \$507,225.

Airport Operations Expense Summary

As presented on the following pages, the budget has been developed to accomplish the airport's financial objectives. These objectives were detailed above but more broadly include: 1) operate a safe, secure and environmentally responsible airport, 2) exceed customer and community expectations, 3) capital reinvestment to deliver and maintain a facility that meets the needs of the traveling public.

Airport Operations Expense Budget FY 2023/2024



Budgeted expenses for airport operations total \$21,857,121. Operating expenses exclude fuel farm expenses and FBO expenses as those are reflected in separate budgets on pages 15 (fuel farm) and 16 (FBO) following the detailed cost center information.

The Airport employee headcount is expected to be 138 this upcoming year. This includes the seasonal hosts and seasonal winter operations employees as well as the addition of 45 Jackson Hole Flight Services (FBO) staff. A key change in the Airport's staffing will be the loss of the security screening staff. Included in the headcount will be the addition of one person to human resources and one accounting person to support the FBO enterprise. Also, new security regulations necessitate the addition of 3 security personnel. Finally, there is a planned adjustment in wages and health insurance this year. The proposed personnel expense adjustments are as follows:

- Addition of 45 Jackson Hole Flight Services (FBO) staff = \$6,165,246 (fully burdened rate), remainder of FBO payroll is allocation from other payroll centers to account for FBO related staff time.
- Reallocation of non-screening security staff into Operations and FBO enterprise centers = \$1,507,633 (fully burdened rate)
- Addition of 5 full time employees = \$652,600 (fully burdened rate)
- Eight percent pool for merit adjustment = \$540,000
- Increase in health insurance of 7% = \$143,500

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The below table presents the fiscal year 2023/2024 budget numbers compared with projected year end.

	Proposed Budget Operating Expense FY 2023-24	Projected Operating Expense FY 2022-23
Payroll	12,190,911	8,822,975
Administrative Expense	3,660,976	3,530,549
Utilities	743,613	638,469
Snow Removal Expense/other	198,539	402,593
Equipment (non-capital) Expense	538,150	423,351
Customer & Employee Relations	602,225	341,913
Environmental Planning & Ops	160,000	821,867
R & M - Building	1,217,000	1,038,957
R & M - Operations	392,190	328,845
R & M - Vehicles	389,619	373,298
Security Operations	989,776	1,062,554
QTA Operations	371,707	362,683
ARFF	300,016	366,841
Noise Monitoring and Fly Quiet Program	-	216,028
Control Tower Operation	102,400	252,905
TOTAL OPERATING EXPENSE	21,857,121	18,983,828

Airport Operations Budget Cost Centers

The Airport experienced record enplanement levels in 2019 followed by a reduction in travel in 2020. Passenger traffic has steadily recovered to near 2019 levels at the end of 2022 in spite of a 78-day runway closure. During the closure period, several terminal projects were completed which will contribute to an improved passenger experience and additional revenue.

There are six direct cost centers for the Airport: airfield, landside, terminal, other buildings and grounds, environmental, and community outreach. There are also 15 indirect cost centers for the Airport. The indirect cost centers include areas such as personnel expenses, utilities and building expenses, operations and maintenance expenses and equipment expenses. Some expenses where appropriate have been split between the FBO and Operations enterprise centers, for example the Fly Quiet and Noise Monitoring programs.

The 2023/2024 budget has been compared with the 2022/2023 budget generally and in each cost center in the following sections. A few key areas that may have an impact on multiple cost centers are highlighted below followed by more detailed information for the individual cost centers:

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- Administrative expense adjustments include increases in professional fees, insurance, office expenses, Use Agreement payment, and conferences, meetings and schools. Many of these expenses are directly related to activity or staffing levels.
- Personnel expenses have been adjusted this year to include the items detailed on page 10 including the addition of new staff as well as the reallocation of all security expenses into the operations cost center.
- Snow removal expenses have been adjusted to account for increased fuel costs and material costs related to snow removal (total cost \$475,723 split between Operations \$198,539 and FBO \$277,134 enterprise centers).
- ARFF was increased in anticipation of the transition to new Class B fire retardant (total cost \$429,950 split between Operations \$300,016 and FBO \$165,934 enterprise centers).
- Operations repair and maintenance (R & M) includes the purchase of a replacement runway closure X for future projects, winter pavement treatment and terminal curb repair.
- Environmental planning and operations include the purchase and installation of water filters (total cost \$1,065,336 split between Operations and FBO enterprise centers).
- Customer and employee relations is adjusted to include a working group, promotion and education items, and increased general outreach.

In allocating overhead expenses to the cost centers, staff reviews personnel hours dedicated to the cost centers as well as the budgeted costs associated with each indirect cost center. This is compared with the prior year's percentages to determine what, if any, adjustments are needed. The expenses for the indirect cost centers excluding administrative expenses are allocated to the direct cost centers based on this analysis. After those direct and indirect costs are allocated to the direct cost centers, administrative expenses can be allocated based on the total actual direct and indirect costs for each cost center. The overall budget numbers and percentages of the FY 2023/2024 budget for allocation purposes can be found in the following table. The comparisons against 2022/2023 projected expenses by cost center are on the following pages.

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	Budget Operating Expense FY 2023-24	Airfield		Landside		Terminal		Other Buildings & Grounds		Environmental		Community Outreach	
Payroll	12,190,911	29%	3,038,751	24%	2,119,056	30%	3,932,610	6%	971,214	4%	540,563	8%	1,578,048
Administrative Expense	3,660,976	35%	1,281,342	20%	732,195	32%	1,171,512	10%	366,098	1%	36,610	2%	73,220
Utilities	743,613	14%	100,971	2%	12,486	71%	526,335	11%	78,849	2%	16,486	1%	8,486
Snow Removal Expense/other	198,539	60%	119,441	40%	79,098	0%	-	0%	-	0%	-	0%	-
Equipment (non-capital) Expense	538,150	29%	153,970	19%	103,545	22%	120,210	23%	126,186	2%	10,605	4%	23,634
Customer & Employee Relations	602,225	0%	-	0%	-	0%	-	0%	-	15%	-	100%	602,225
Environmental Planning & Ops	160,000	0%	-	0%	-	0%	-	0%	-	13%	160,000	0%	-
R & M - Building	1,217,000	0%	-	0%	-	94%	1,138,130	6%	78,870	0%	-	0%	-
R & M - Operations	392,190	25%	98,440	51%	201,000	15%	60,400	7%	25,500	1%	4,950	0%	1,900
R & M - Vehicles	389,619	75%	293,702	16%	62,485	2%	7,248	7%	26,184	0%	-	0%	-
Security Operations	989,776	15%	164,963	15%	164,963	55%	604,863	5%	54,988	0%	-	0%	-
QTA Operations	371,707	0%	-	0%	-	0%	-	100%	371,707	0%	-	0%	-
ARFF	300,016	80%	240,551	9%	28,408	9%	28,016	1%	2,340	0%	234	0%	468
Noise Monitoring and Fly Quiet Program	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Control Tower Operation	102,400	0%	-	0%	-	0%	-	100%	102,400	0%	-	0%	-
TOTAL OPERATING EXPENSE	21,857,121		5,492,131		3,503,235		7,589,324		2,204,335		769,448		2,287,981

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Airfield Cost Center:

This cost center includes the costs associated with the airfield and air carrier apron including snow removal, aircraft rescue firefighting, operations and maintenance expenses, and utilities expenses. The adjustment in this cost center is due to an increase in non-capital equipment, Aircraft Rescue and Fire Fighting (ARFF) expenses personnel expenses, administrative expenses, and vehicle repair and maintenance (R&M). The adjustment in ARFF is a result of the anticipated transition to new Class B fire retardant. Vehicle R & M increased largely due to anticipated changes in fuel prices.

Airfield		
	Proposed Budget Operating Expense FY 2023-24	Projected Operating Expense FY 2022-23
Payroll	3,038,751	1,914,126
Administrative Expense	1,281,342	1,009,116
Utilities	100,971	20,045
Snow Removal Expense/other	119,441	246,790
Equipment (non-capital) Expense	153,970	180,135
R & M - Operations	98,440	119,640
R & M - Vehicles	293,702	189,740
Security Operations	164,963	159,383
ARFF	240,551	18,048
TOTAL OPERATING EXPENSE	5,492,131	3,719,568

Landside Cost Center:

This cost center includes the expenses associated with the parking lots and roadways at the Airport. The adjustment in environmental planning and ops in the landside cost center is due to a reallocation of expenses to the FBO enterprise center. Repair and maintenance (R & M) operations increased primarily due to planned purchase of replacement runway closure X's, winter pavement treatment, and a bucket lift. The adjustment in non-capital equipment includes the purchase of computers and communications equipment.

Landside		
	Proposed Budget Operating Expense FY 2023-24	Projected Operating Expense FY 2022-23
Payroll	2,119,056	1,584,105
Administrative Expense	732,195	576,638
Utilities	12,486	10,342
Snow Removal Expense/other	79,098	93,327
Equipment (non-capital) Expense	103,545	69,210
Environmental Planning & Ops	-	175,159
R & M - Operations	201,000	144,037
R & M - Vehicles	62,485	142,298
Security Operations	164,963	159,383
ARFF	28,408	906
TOTAL OPERATING EXPENSE	3,503,235	2,817,949

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Terminal:

Included in the terminal cost center are all costs associated with the terminal building including repair and maintenance, custodial, utilities, baggage system and certain security items related to access control (cameras, doors, alarms). Utilities costs adjusted due to increased square footage. The increase in operations repair and maintenance is due to terminal curb repair scheduled to occur this year.

Terminal		
	Proposed Budget Operating Expense FY 2023-24	Projected Operating Expense FY 2022-23
Payroll	3,932,610	1,947,128
Administrative Expense	1,171,512	922,621
Utilities	526,335	399,842
Equipment (non-capital) Expense	120,210	80,230
Environmental Planning & Ops	-	63,467
R & M - Building	1,138,130	1,196,931
R & M - Operations	60,400	21,113
R & M - Vehicles	7,248	16,204
Security Operations	604,863	584,405
ARFF	28,016	13,470
TOTAL OPERATING EXPENSE	7,589,324	4,682,934

Other Buildings and Grounds:

This cost center includes the Airport owned hangars, control tower, and the rental car quick turnaround wash facilities. Like the terminal cost center, significant expenses in this cost center include operations and maintenance for these buildings, custodial, and non-capital equipment expenses. The most significant change is in QTA operations to account for increased maintenance needs as the facilities age. Finally, there is an adjustment in non-capital equipment for the purchase of communications and computer equipment and furniture and fixtures outside the terminal building (fire house, administration, maintenance facility).

Other Buildings and Grounds		
	Proposed Budget Operating Expense FY 2023-24	Projected Operating Expense FY 2022-23
Payroll	971,214	409,227
Administrative Expense	366,098	288,319
Utilities	78,849	121,662
Snow Removal Expense/other	-	14,091
Equipment (non-capital) Expense	126,186	67,023
R & M - Building	78,870	293,957
R & M - Operations	25,500	18,767
R & M - Vehicles	26,184	23,856
Security Operations	54,988	53,128
QTA Operations	371,707	270,067
ARFF	2,340	1,584
Control Tower Operation	102,400	115,620
TOTAL OPERATING EXPENSE	2,204,335	1,677,303

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Environmental:

This past year the airport continued the progress made in environmental initiatives. The objective this year is to continue to work on the previously established initiatives including noise monitoring and the Fly Quiet Program. Environmental payroll includes an Environmental manager and payroll costs allocated to the environmental cost center associated with administering the program. With the start of the FBO operation, many of the environmental costs have been reclassified under the general aviation operation and are reflected under that enterprise center including the noise monitoring and Fly Quiet program.

Environmental		
	Proposed Budget Operating Expense FY 2023-24	Projected Operating Expense FY 2022-23
Payroll	540,563	231,015
Administrative Expense	36,610	28,832
Utilities	16,486	8,713
Equipment (non-capital) Expense	10,605	2,456
Customer & Employee Relations	-	30,248
Environmental Planning & Ops	160,000	422,120
R & M - Operations	4,950	-
ARFF	234	-
Noise Monitoring and Fly Quiet Program	-	198,522
TOTAL OPERATING EXPENSE	769,448	921,905

Community Outreach:

Community outreach remains a key value for the Board. As previously described, the increase in customer and employee relations is primarily due to include a working group, promotion and education items, and increased general outreach. Payroll expenses include all costs related to operation of this cost center such as the Public Information Officer, communications assistant and hosts. The utilities and equipment expenses included in this cost center are related to telephone and computer costs. The environmental expenses have been reallocated to the FBO enterprise center.

Community Outreach		
	Proposed Budget Operating Expense FY 2023-24	Projected Operating Expense FY 2022-23
Payroll	1,578,048	514,834
Administrative Expense	73,220	57,664
Utilities	8,486	8,165
Equipment (non-capital) Expense	23,634	5,473
Customer & Employee Relations	602,225	171,098
Environmental Planning & Ops	-	51,011
R & M - Operations	1,900	21,113
ARFF	468	-
TOTAL OPERATING EXPENSE	2,287,981	829,358

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Fuel Farm Operations Budget

The fuel farm operating budget is presented below. The fuel farm budget includes staff overhead, fuel purchase expenses, maintenance, glycol trucking expenses, and insurance. Revenues include fuel sales (at cost), administration fees, and fuel facility use fees (\$0.25/gallon).

	Total FY 2023/2024
Fuel Sales	BUDGET
AvGas	20,950
JetA General Aviation	3,569,489
JetA Airlines	6,422,123
AvGas	41,849
Unleaded Gas	344,678
Dyed Diesel	76,677
Glycol Type I	29,345
Glycol Type IV	3,920
Total Fuel Delivered (gals)	10,509,030
Revenues	25,765,631
Expenses	24,226,899
Funds available for debt service	1,538,732
Interest / Principal Loan Payment	950,278
Net Revenues	588,454

Fixed Base Operations Budget

The FBO will be operated by the airport with all income and expenses relating to the operation allocated to the FBO enterprise center. FBO revenues include aircraft fueling, aircraft maintenance, aircraft parking/handling/tiedown, hangar revenue and landing fees, among others. Some of the expenses include fuel fees, personnel, administrative, operating and overhead expenses. A summary of the enterprise center budget is below.

	Total FY 2023/2024
	BUDGET
Revenues	
Fuel Revenue	34,073,202
Maintenance	383,833
Parking/Handling/Tiedown	4,349,453
Hangar Revenue	1,266,000
Landing Fees	1,419,105
Expenses	
Fuel Fees	1,954,500
Fuel/Glycol Expense	14,456,504
Operating Fees	2,242,722
Administrative	10,264,309
Overhead	7,381,198
Sub-Total Company	
Revenues	41,491,593
Expenses	36,299,233
Net Revenues	5,192,360

Expenses in the FBO budget have been allocated to cost centers in the same manner as the airport operating budget. The FBO expense allocations (excluding fuel purchases) are on the following page:

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FBO Cost Centers 2023 - 2024	Budget FBO Expense FY 2023-24		Airfield		Landside		FBO Terminal		Environmental		Community Outreach
Payroll	6,739,783	37%	2,493,720	25%	1,684,946	33%	2,224,128	4%	269,591	1%	67,398
Administrative Expense	3,332,923	45%	1,499,816	20%	666,585	32%	1,066,536	3%	99,988	0%	-
Fuel Fees	1,954,500	100%	1,954,500	0%	-	0%	-	0%	-	0%	-
Rent/Operating Fees	2,242,722	75%	1,682,041	5%	112,136	5%	112,136	15%	336,408	0%	-
Utilities	65,000	0%	-	0%	-	100%	65,000	0%	-	0%	-
Snow Removal Expense/other	277,184	90%	249,465	10%	27,718	0%	-	0%	-	0%	-
Equipment (non-capital) Expense	650,000	80%	520,000	0%	-	20%	130,000	0%	-	0%	-
Customer & Employee Relations	60,000	0%	-	0%	-	0%	-	0%	-	100%	60,000
Environmental Planning & Ops	1,065,335	0%	-	0%	-	0%	-	100%	1,065,335	0%	-
R & M - Building	180,000	0%	-	0%	-	100%	180,000	0%	-	0%	-
R & M - Operations	330,810	80%	264,648	10%	33,081	10%	33,081	0%	-	0%	-
R & M - Vehicles	250,000	70%	175,000	30%	75,000	0%	-	0%	-	0%	-
Security Operations	154,975	80%	123,980	5%	7,749	15%	23,246	0%	-	0%	-
ARFF	165,934	90%	149,341	0%	-	10%	16,593	0%	-	0%	-
Noise Monitoring and Fly Quiet Program	190,000	0%	-	0%	-	0%	-	100%	190,000	0%	-
Control Tower Operation	153,600	100%	153,600	0%	-	0%	-	0%	-	0%	-
TOTAL OPERATING EXPENSE	17,812,765		9,266,110		2,607,215		3,850,721		1,961,322		127,398

Debt

All bonds issued by the Board are “revenue bonds” because they are secured by a specified revenue source. The Board holds sufficient funds as restricted cash to cover at least one year of debt service as well as other restricted cash investments to meet debt service requirements. For the fiscal year 2023/2024 the Board has four bonds outstanding. The anticipated debt service for the upcoming fiscal year is:

	Annual Source	Annual Payment
FIB Rental Car QTA		-\$1,360,606
FIB - Fuel Farm		-\$950,377
FIB – Restaurant		-\$3,807,331
FIB – Hangar 3/GSE		-\$613,615
Total Bond Payments		-\$6,731,929
Paid with CFC	\$1,360,606	
Paid with Flow Fee	\$950,377	
Paid with Operating Revenues	\$3,807,331	
Paid with FBO Revenues	\$613,615	
Total Bond Sources	\$6,731,929	

Capital Plan

Capital expenses such as equipment purchases and construction costs are funded through the Capital Improvement Program (CIP). Capital funds include the Federal Airport Improvement Program (AIP), state grant funds, Passenger Facility Charges (PFCs) and rental car Customer Facility Charges (CFCs). When developing the capital plan, the Board approaches each construction project with awareness of potential environmental and community impacts from the beginning stages of design continuing through project completion. This year construction is anticipated to start on the taxiway and deicing pad improvements. This project will improve operations during the winter season and allow for more efficient traffic flow during busy times. Edge drains will be installed similar to the runway project to collect surface water and materials will be reused during construction when possible mitigating environmental effects of aircraft deicing at the airport. The Board will also continue the Hangar 3 construction work. This project is to replace previously removed infrastructure following the commitment made to build these hangars for locals who were displaced several years ago. There are several small capital projects the Airport intends to complete such as pavement repairs, painting and equipment purchases. Staff continue to work closely with the construction management team to coordinate all projects and reduce potential impacts on travelers as much as possible. Additionally, it is important to note that the CIP is developed each year and updated throughout the year as funding becomes available. The airport’s ability to have projects ready for construction has positioned the Board positively to receive all available funding, which is a key value of an accurate and adaptable CIP. All the proposed projects for FY 2023/2024 are detailed in the capital list on the following page. The list is comprehensive and not all the listed projects may be completed in a single year.

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AIRFIELD		Federal	State	Revenue Bond	Airport
North TW A Rehab and Deice Pad Improvements - Ph 1 (CA/CO) - 2023_2024	487,500	457,031	18,281	-	12,188
North TW A Rehab and Deice Pad Improvements - Ph 1 Const. - 2023_2024	4,061,000	4,119,979	152,288	-	(211,266)
Stormwater Detention System Expansion (Rock Crushing) - 2023	612,370	574,097	22,964	-	15,309
Deice Pad Improvements - Phase 2 (Design) - 2023_2024	1,000,000	937,500	37,500	-	25,000
Deice Pad Improvements - Phase 2 (CA/CO) - 2023_2024	150,000	140,625	5,625	-	3,750
Deice Pad Improvements - Phase 2 Construction - 2023_2024	18,000,000	16,875,000	675,000	-	450,000
ARFF/Operations Center EA (2024)	600,000	562,500	22,500	-	15,000
Non-Fed TW A Rehab and Deice Pad - Ph 1 Const. 2023_2024	1,307,020	-	-	-	1,307,020
Non Fed Design/CA/Construction for Expanding Stormwater Detention System - 2023_2024	275,000	-	-	-	275,000
Pavement Marking Design/CA/Construction (local only) - 2023	300,166	-	-	-	300,166
Seal Coat and Mark Pavements - CA/CO	22,854	-	-	-	22,854
Seal Coat and Mark Pavements - Construction	325,021	325,021	-	-	-
ATCT Improvements	995,000	995,000	-	-	-
Additional Tanks Fuel Farm - Design & CA/CO	700,000	700,000	-	-	-
Additional Tanks Fuel Farm - Construction	1,900,000	1,900,000	-	-	-
EQUIPMENT					
Replace Operations Vehicles	600,000	-	-	-	600,000
New SRE (Broom or Plow trucks)	1,255,000	-	1,024,007	-	230,993
Pavement Rubber/Paint Removal Vehicle (2023)	691,618	-	553,295	-	138,324
New ARFF Truck (2023)	7,200	-	5,760	-	1,440
Small Ops Equipment (Kubota/Gehl/mini excavator)	567,569	-	-	-	567,569
SRE attachments	582,000	-	465,600	-	116,400
FBO					
FBO Program Owner's Representative	234,000	-	-	-	234,000
Construct Hangar 3 & GSE Building	26,500,000	-	-	26,500,000	-
CA/CO Hangar 3 & GSE Building	755,000	-	-	755,000	-
Construct Hangar 5 (A & B)	11,500,000	-	-	11,500,000	-
CA/CO Hangar 5 (A & B)	510,000	-	-	510,000	-
LANDSIDE					
	-	-	-	-	-
SMALL PROJECTS/JAC OPS					
Administration Entrance Cover	150,000	-	-	-	150,000
Garage Door for Weld Bay	90,000	-	-	-	90,000
SIDA/Infrared Camera	80,000	-	-	-	80,000
Rental Car Signage	75,000	-	-	-	75,000
New Gate Hangar 5	50,000	-	-	-	50,000
Perimeter Fence/Gate	100,000	-	-	-	100,000
Bagbelt System Upgrades	400,000	-	-	-	400,000
GENERAL					
Project Coordinator/Owners Rep	60,000	-	-	-	60,000