



**BOARD OF COUNTY
COMMISSIONERS**



TOWN COUNCIL

JOINT INFORMATION MEETING AGENDA DOCUMENTATION

PREPARATION DATE: May 31, 2018
MEETING DATE: June 4, 2018

SUBMITTING DEPARTMENT: Administration
DEPARTMENT DIRECTOR: Larry Pardee & Alyssa Watkins
PRESENTER: Roxanne DeVries Robinson

SUBJECT: Airport Budget

STATEMENT/PURPOSE

The Jackson Municipal Code and the Joint Powers Agreement between the Town and County requires Town Council and County Commission approval of the Airport budget.

BACKGROUND/ALTERNATIVES

The Joint Powers Agreement between the Town and County indicates that the Airport Board must submit their budget on or before May 1st of each year to the Town Council and the County Commissioners (June 1st for Municipal Code). The budget is then subject to alteration, modification or revision, and approval by the Town Council and the Board of County Commissioners.

The purpose of this agenda item is for the Town Council and County Commission to receive the budget, ask questions and discuss any issues of concern, and adopt the budget.

An excerpt from the Municipal Code is below:

2.36.080 Budget submission – Funding.

The board shall submit on or before the first day of June of each year, to the town council, and to the board of county commissioners, Teton County, a proposed budget for the ensuing fiscal year which will be from July 1st of each year until June 30th of the ensuing year. Said budget shall be subject to alteration, modification or revision by the town council or board of county commissioners and after being approved by them shall be adopted as the fiscal plan of the board for the subsequent year. Such fiscal plan as approved by the board of county commissioners and town council shall be funded from revenues derived from the Jackson Hole Airport operation, supplemented by additional appropriations on an equal basis from the county of Teton and the town of Jackson.

An excerpt from the JPA is below:

8(d) Budget Approval. The board shall submit on or before the 1st day of May of each year to the Teton County Board of County Commissioners and the Jackson Town Council a proposed budget for the fiscal year of July 1 through June 30. Said budget shall be subject to alteration, modification or revision by the Teton County Board of County Commissioners and the Jackson Town Council acting jointly, and

after being approved by them, shall be adopted as the fiscal plan of the Board for the subsequent year. Such fiscal plan shall be funded from revenue derived from the operation of the Jackson Hole Airport, state and federal grants and passenger facilities charges, supplemented if necessary by additional appropriations on an equal basis from Teton County and the Town of Jackson.

As noted in the budget, the Airport does not receive any direct funding from the Town of Jackson or Teton County. Representatives from the Airport will be at the meeting to provide an overview of the budget being presented.

The Town Council and County Commission have many options available to them in regards to this discussion of the Airport Budget.

1. Listen to a brief overview, ask questions, discuss the budget and approve the budget.
2. Ask the Airport Director for further information or clarification of issues to be presented at a special meeting later in June.
3. Alter, modify and revise the budget and ask the Airport Board to come back and present their changes to the Town Council and County Commission at a special meeting in June.
4. Other

ATTACHMENTS

Airport Budget

FISCAL IMPACT

None. The Town and the County do not currently supplement the Jackson Hole Airport Operation.

STAFF IMPACT

None.

LEGAL REVIEW

n/a

RECOMMENDATION

Staff recommends the Town Council and the County Commission listen to any highlights the Airport has to offer on their budget, ask questions, discuss the budget including any areas of concern and adopt the budget.

SUGGESTED MOTION

Should the Council and Commission be ready to adopt the budget as presented, the motion would be:

I move to approve the proposed budget for the Airport as presented.

Synopsis for PowerPoint (120 words max):

Background:

The Jackson Municipal Code, 2.36.080, and the Joint Powers Agreement indicate that the Airport Board must submit their budget on or before May 1st (June 1st in the Municipal Code) of each year to the Town Council and the County Commissioners. The budget is then subject to alteration, modification or revision, and approval by the Town Council and the Board of County Commissioners.

Fiscal Impact:

None.



Jackson Hole Airport Operating Budget 2018-2019



The following document presents the Jackson Hole Airport Board's operating budget for the Fiscal Year 2018-2019.

Jackson Hole Airport Board
1250 E. Airport Rd.
Jackson, WY 83001
307-733-7695
4/27/2018

Background

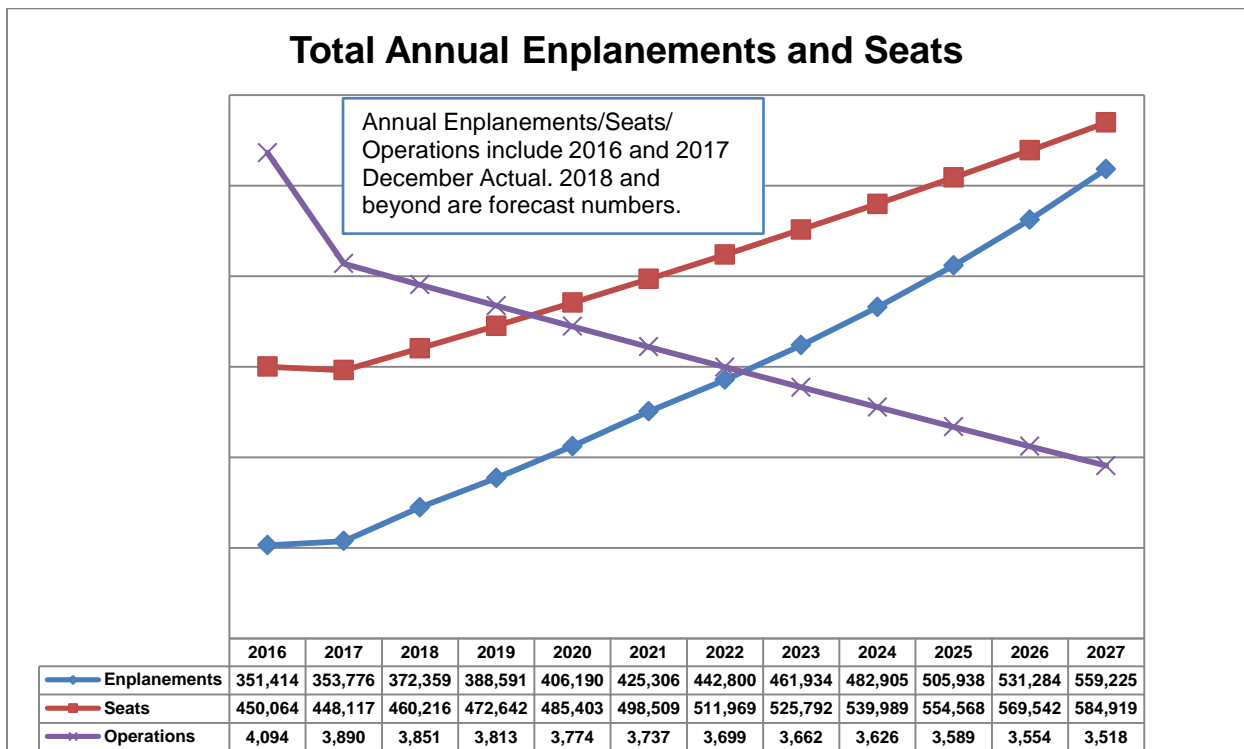
The following pages present the Jackson Hole Airport Board's (the Board's) operating budget for Fiscal Year 2018-2019. The Town of Jackson and Teton County created the Board by joint resolution in 1967. The Board consists of 5 members jointly appointed by the Town and County. The Joint Powers Agreement sets forth the terms by which the Town, County and Airport operate together. Under this agreement, the Town and County annually review the Airport Budget. The Town and County also both sign all FAA grant agreements as co-sponsors. While the Board operates under the authority of the Town and County, all facilities, equipment, lease holds and operating rights are owned and managed by the Airport Board.

The Board adopted a Certificate of Organization pursuant to the Town of Jackson Ordinance and Board of Teton County Commissioners Resolution on January 2, 1968 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.) 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 Third Amendment to the Use Agreement extended the term to April 23, 2053 and the Fourth Amendment established the current Use Fee being paid by the Airport to the Park.

The Board's fiscal year is from July 1 – June 30 each year. Once the Board has approved the budget it will be submitted to the Town and County for consideration no later than May 1 of each year. The Board will then formally adopt the Budget in June for execution starting July 1. Any required changes to the Board approved rates and charges will be made prior to July 1 by resolution. This includes changes to ground transportation fees, parking fees, rents and other standard fees.

Airport Activity

Jackson continues to be a popular destination with air travel as one of the key methods for travelers to arrive in the valley. The calendar year ended 12/31/2017 was the Airport's strongest year on record for enplanements at 353,776 passengers. The Airport continues to experience growth in the winters as well as increases in the "off seasons" of October-November and April-May. It is important to note that while passenger traffic continues to increase, annual operations have been decreasing. This is primarily due to a trend on the part of commercial air carriers to operate larger aircraft (more seats) with less frequency in and out of Jackson. The chart below shows the forecast for passenger enplanements and aircraft seats through 2027. In developing the forecast: the winter seats from 2019-2022 are forecast to increase 5% where winter includes December (prior calendar year), January, February and March. For the years 2022-2027 winters are forecast to increase 2%. Summer seats are forecast to increase 1% per year where summer includes June, July, August and September. The off season is forecast to increase 13% per year during April, May, October and November which is in line with our goal of increasing visitation during these months.



Jackson Hole Airport Board Budget Summary

This will be the first year wherein the operation of the new fuel farm will be represented as an enterprise center along with the security operations and airport operations. The budget will also reflect six specific cost centers that include: 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 below is a chart detailing the Airport Board's Total Budget for FY 18/19.

Operations Revenues		2018-2019
	Airport Operations	11,251,350
	Security Operations	6,494,657
	Fuel Farm Operations	16,507,501
Total Revenue		34,253,508
Operations Expense		
	Airport Operations	(9,808,978)
	Security Operations	(6,475,806)
	Fuel Farm Operations	(15,149,330)
Total Expense		(31,434,113)
Debt Service		
	Airport (QTA)	(2,131,912)
	Fuel Farm	(882,960)
Total Debt Service		(3,014,872)
Total Operations/Debt Service		(195,477)
Capital and Debt Sources		
	State/Federal Grants	5,020,000
	PFC	1,100,000
	CFC	1,437,500
	Loans	10,700,000
Total Capital and Debt Sources		18,257,500
Capital Expenditures ("A" Priority Projects)		
	Jackson Hole Airport	(20,438,000)
Total Capital Expenditures		(20,438,000)
Total Airport Operations/Capital/Debt		
To/(From) Net Reserves FY 18/19		(2,375,977)
Reserve Fund Balance Forecast FYE June 30, 2018		12,422,229
Reserve Fund Balance Forecast FYE June 30, 2019		10,046,252

Airport Operations

The Airport Operating budget is being shown as a stand-alone enterprise center separate from security operations and fuel farm operations. All of the 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. Year-end income expected from airport operations is expected to be \$1,142,372. The specific details for this enterprise center are detailed below.

Security Operations

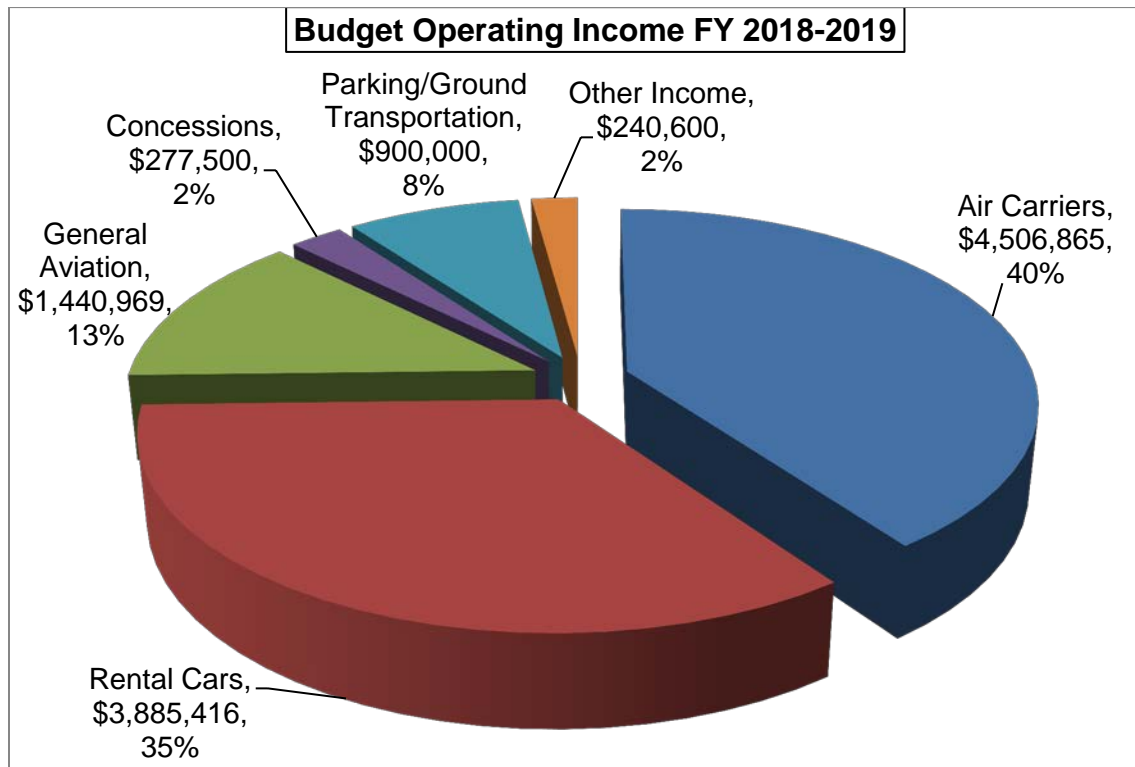
Security has been broken out as an individual enterprise center with a separate budget from the Airport operating budget and all income and expenses related to security operations have been moved to this budget. The revenue in this enterprise center covers the security screening of passengers, and concessions entering the secure area of the airport. It also covers costs associated with overall airport security including the Town of Jackson law enforcement officer presence and night security. The additional airport security is achieved through two contracts: one for night security services with Jackson Hole Security and the other with the Town of Jackson for TSA required law enforcement officer presence during airport screening operations. Year-end income expected from the security operation enterprise center is \$18,851.

Fuel Farm

The fuel farm operation has been set up with an individual operating budget including income, expense, and loan payment. Previously, fuel farm income included an administration fee, glycol sold, and the fee on fuel delivered. All expenses for the fuel farm have been moved out of the airport operating budget and into the fuel farm budget. These expenses include glycol purchases, recovery and trucking expenses and maintenance expenses at the fuel farm and glycol recapture pad. Year-end income anticipated to be received from the fuel farm operations are \$475,211.

Airport Operations Revenue Summary

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 tax dollars for operations. Aeronautical revenues are collected from both the fixed base operator and the airlines. Non-aeronautical revenues are collected from a variety of sources including terminal concessions, rental cars and parking. These revenue streams are used to fund operating expenses such as personnel costs, maintenance, supplies, utilities and contractual services.



Air Carriers

Air Carrier income comes from two sources: landing fees and terminal rents. These revenues are used to offset expenses related to the Airfield and terminal operations. Landing fees are calculated on a maximum certified gross weight basis and are proposed to be increased 10% this budget cycle to \$3.81 per 1,000 pounds landed CGW. Terminal rent is also proposed to increase 10% this year. Both terminal rents and landing fees are used to determine cost per enplaned passenger (CPE). This year the CPE is estimated to be \$12.30 with the proposed increases. This average against enplanement is still below the CPE of \$17.93 supported in the financial plan created by Newton and Associates in May 2017. Air carrier revenue is expected to increase 16.6% for FY 2018-2019 to \$4,506,865. Of this, \$2,496,682 comprises terminal space rental and the remaining \$2,013,286 is landing fees.

Rental Cars

Rental car revenue is predominantly composed of minimum annual guaranteed bid amounts (MAGs) established during an open competition bid process. The on-airport rental car companies are required to pay 10% of gross revenue or their MAG, whichever is higher. The rental car contracts were re-bid in February 2018 resulting in a budget increase of 20% for this revenue area. The rental cars also pay rent for space in the terminal, and parking lot (including storage spaces) to help offset the expenses related to these cost centers. Upon completion of the QTA construction, the rental cars will pay rental and operations and maintenance for the use of this facility. This will help to offset the cost of the QTA facility which is being constructed with environmental improvements including recycled water and other energy efficient initiatives. The rental car revenue for FY 2018-2019 is budgeted at \$3,885,416.

General Aviation

This revenue source includes landing fees collected from general aviation users as well as concession fees and rents from the FBO and general aviation contracts. The majority of this revenue is used to help pay for airfield costs. This revenue stream is budgeted at \$1,440,969, an increase of 8.7% for FY 2018-2019. The increase is predominantly due to adjustments to landing fees.

Concessions

This income category predominantly consists of restaurant revenue. There is additional concession revenue related to catering and vending in this category as well. The concession revenue stream helps to fund the terminal cost center. Concessions revenue is anticipated to be \$277,500 for FY 2018-2019.

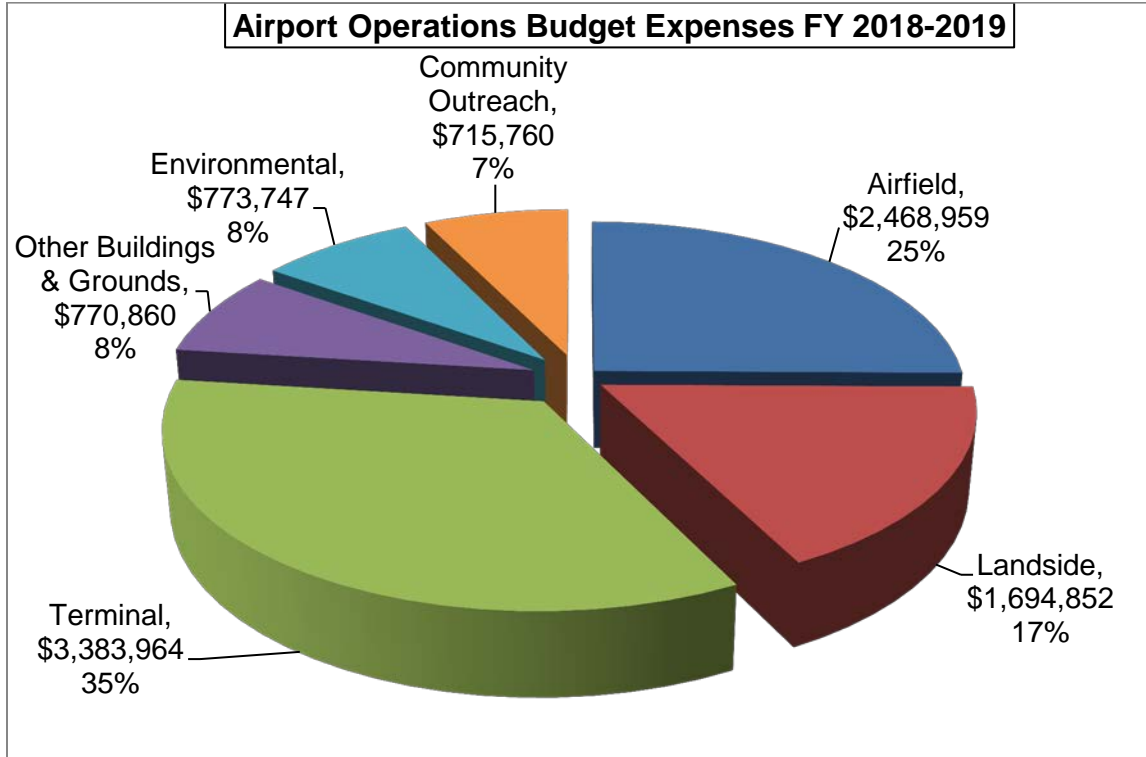
Parking/Ground Transportation

Parking and ground transportation revenue includes parking fees and ground transportation access fees. These fees support the maintenance and upgrades of the Airport's roadways and parking lots. For budget year 2018-2019, this income is projected to be \$900,000, an increase of 20% over projected FYE 2018. This is largely due to adjustments in parking rates.

Other Income

Other income includes interest income, advertising income, and other airport rents. We do not anticipate significant increases in this area. The budgeted amount for this upcoming year is projected to be \$240,600.

Airport Operations Expense Summary



Budgeted expenses for airport operations are \$9,808,978 which is 11% higher than the projected FY 17/18 amount. Operating expenses exclude security operations and fuel farm expenses as those are reflected in separate budgets following the detailed cost center information.

Personnel expense increases for FY 18/19 include the addition of 1.5 FTE staff bringing the number of Airport (non-screening) employees from 37.5 to 39. Screening staff will remain at 59 including support staff. Also included in the personnel expense adjustment is a pool for wage adjustments of 5% distributed based on annual performance reviews. This pool is supported by data from MSEC and the WY Economic Analysis Division (EAD). MSEC's Wyoming state-wide average salary increase projection for 2018 is 3.3%. WY EAD states that Teton County's cost of living is 54% higher than the state-wide average, which would adjust the average salary increase to 5.08% for Teton County. The following table presents the FY 2018-2019 budget numbers compared with Projected FY 2017-2018 as well as prior years' budget and actual numbers.

	Budget Operating Expense FY 2018-2019	Operating Expense Projected FY 2017-2018	Budget Operating Expense FY 2017-2018	Operating Expense Actual FY 2016- 2017
Payroll	4,293,403	3,730,085	3,786,075	3,195,231
Administrative Expense	1,967,018	1,831,121	1,559,171	1,622,422
Utilities	523,000	475,005	453,503	403,631
Snow Removal Expense/other	231,200	221,500	211,500	165,204
Equipment (non-capital) Expense	236,200	211,600	211,600	182,331
Customer & Employee Relations	301,307	107,367	90,400	96,290
Environmental Planning & Ops	311,200	197,200	197,200	173,074
R & M - Building	1,023,064	1,087,896	1,076,896	1,209,433
R & M - Operations	302,850	415,200	411,900	349,903
R & M - Vehicles	336,800	253,500	283,500	348,452
ARFF	70,100	86,250	66,250	55,212
Noise Monitoring and Fly Quiet Program	155,000	155,000	155,000	74,873
Control Tower Operation	57,000	57,000	57,000	61,389
TOTAL OPERATING EXPENSE	9,808,142	8,828,724	8,559,995	7,937,445

Airport Operations Budget Cost Centers

The Airport continues to see an increase in passenger traffic necessitating increases in expense areas such as airfield, terminal and parking areas as well as personnel and infrastructure expenses to support this growth. In addition to expected cost increases in these areas, the Airport continues to focus on making environmental initiatives and community outreach priorities. This is reflected in this budget with more significant increases in these cost centers.

There are six direct cost centers for the Airport: airfield, landside, terminal, other buildings and grounds, environmental, and community outreach. There are also 13 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.

Specific indirect cost centers that were adjusted in the budget and have an influence on multiple cost centers include non-capital equipment expense, customer & employee relations, environmental planning and operations, and vehicle repair and maintenance.

- Customer & employee relations increased \$193,940 due to costs associated with the 50th anniversary of the airport as well as additional community partnerships and outreach efforts including the Town parking lease.
- Environmental planning & operations increased \$114,000 over projected FY 17/18. This is due to enhanced environmental initiatives including increased multi-stream recycling in the passenger terminal, purchasing additional green power, and increasing other airport green initiatives.

- Vehicle repair and maintenance increased \$83,300 due to increased costs required to maintain an expanded and aging vehicle fleet.
- Administrative expense and utilities were also adjusted this year by 7% and 10% respectively and have an impact on multiple cost centers. Administrative expense includes items such as professional and legal fees, office expense, and property and liability insurance.

As infrastructure and utility demands at the airport grow we seek ways to reduce our utility needs and costs. Some examples are purchasing additional green power, recycling water at the new rental car Quick Turn Around Facility, and changing over to LED's through the parking lots and airport buildings.

In allocating costs to the cost centers, the expenses for the indirect cost centers excluding administrative expense were allocated to the direct cost centers based on an analysis of staff hours dedicated to the center as well as the budgeted costs associated with each indirect cost center. After those direct and indirect costs were allocated to the direct cost centers, administrative expense was allocated based on the total actual direct and indirect costs for each cost center. This same method was used to allocate administration payroll to the direct cost centers. The overall budget numbers and percentages for allocation purposes can be found on the following table.

	Budget Operating Expense FY 2018-2019	Airfield		Landside		Terminal		Other Buildings & Grounds		Environmental		Community Outreach	
		%		%		%		%		%		%	
Payroll	4,293,403	27%	1,175,363	21%	883,015	34%	1,444,792	7%	295,806	4%	159,430	8%	334,998
Administrative Expense	1,967,018	35%	688,456	20%	393,404	32%	629,446	10%	196,702	1%	19,670	2%	39,340
Utilities	523,000	20%	104,600	15%	78,450	50%	261,500	5%	26,150	10%	52,300	0%	0
Snow Removal Expense/other	231,200	70%	161,840	25%	57,800	0%	0	5%	11,560	0%	0	0%	0
Equipment (non-capital) Expense	236,200	23%	54,326	11%	25,982	35%	82,670	13%	30,706	18%	42,516	0%	0
Customer & Employee Relations	301,307	0%	0	0%	0	0%	0	0%	0	5%	15,065	95%	286,242
Environmental Planning & Ops	311,200	2%	6,224	5%	15,560	5%	15,560	0%	0	80%	248,960	8%	24,896
R & M - Building	1,023,064	0%	0	10%	102,306	80%	818,451	10%	102,306	0%	0	0%	0
R & M - Operations	302,850	30%	90,855	10%	30,285	30%	90,855	10%	30,285	10%	30,285	10%	30,285
R & M - Vehicles	336,800	40%	134,720	30%	101,040	10%	33,680	5%	16,840	15%	50,520	0%	0
ARFF	70,100	75%	52,575	10%	7,010	10%	7,010	5%	3,505	0%	0	0%	0
Noise Monitoring and Fly Quiet Program	155,000	0%	0	0%	0	0%	0	0%	0	100%	155,000	0%	0
Control Tower Operation	57,000	0%	0	0%	0	0%	0	100%	57,000	0%	0	0%	0
TOTAL OPERATING EXPENSE	9,808,142		2,468,959		1,694,852		3,383,964		770,860		773,747		715,761

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 budget for this cost center represents a 13% increase over the projected FY 2018 budgeted amount. This is due to both a \$33,320 adjustment in R & M Vehicle and an increase in administrative and payroll expenses required for airfield operations. R & M Vehicle adjustments include costs associated with the maintenance of an aging vehicle fleet that is required for airfield maintenance.

Airfield				
	Budget Operating Expense FY 2018-2019	Operating Expense Projected FY 2017-2018	Budget Operating Expense FY 2017-2018	Operating Expense Actual FY 2016- 2017
Payroll	1,175,363	950,053	964,313	813,825
Administrative Expense	688,456	640,892	545,710	567,848
Utilities	104,600	95,001	90,701	80,726
Snow Removal Expense/other	161,840	155,050	148,050	115,643
Equipment (non-capital) Expense	54,326	48,668	48,668	41,936
Customer & Employee Relations	0	0	0	0
Environmental Planning & Ops	6,224	3,944	3,944	3,461
R & M - Building	0	0	0	0
R & M - Operations	90,855	124,560	123,570	104,971
R & M - Vehicles	134,720	101,400	113,400	139,381
ARFF	52,575	64,688	49,688	41,409
Noise Monitoring and Fly Quiet Program	0	0	0	0
Control Tower Operation	0	0	0	0
TOTAL OPERATING EXPENSE	2,468,959	2,184,256	2,088,043	1,909,200

Landside Cost Center: This cost center includes the expenses associated with the parking lots and roadways at the Airport. Some of the key increases in this cost center are in the areas of environmental planning and operations and vehicle repair and maintenance. The increase in the landside cost center over FY 2018 is 12%. Environmental planning and operations expense contains increases in landscaping costs including additional spruce trees. The \$24,990 adjustment in the R & M vehicle account reflects the increased vehicle maintenance expense that has been allocated to this cost center.

Landside				
	Budget Operating Expense FY 2018-2019	Operating Expense Projected FY 2017-2018	Budget Operating Expense FY 2017-2018	Operating Expense Actual FY 2016- 2017
Payroll	883,015	746,017	757,215	639,046
Administrative Expense	393,404	366,224	311,834	324,484
Utilities	78,450	71,251	68,025	60,545
Snow Removal Expense/other	57,800	55,375	52,875	41,301
Equipment (non-capital) Expense	25,982	23,276	23,276	20,056
Customer & Employee Relations	0	0	0	0
Environmental Planning & Ops	15,560	9,860	9,860	8,654
R & M - Building	102,306	108,790	107,690	120,943
R & M - Operations	30,285	41,520	41,190	34,990
R & M - Vehicles	101,040	76,050	85,050	104,535
ARFF	7,010	8,625	6,625	5,521
Noise Monitoring and Fly Quiet Program	0	0	0	0
Control Tower Operation	0	0	0	0
TOTAL OPERATING EXPENSE	1,694,852	1,506,988	1,463,640	1,360,077

Terminal: Included in the terminal cost center are all costs associated with the terminal building including operations and maintenance, custodial, utilities, baggage system and security. Increases in this cost center budget include building repair and maintenance and utilities. The increase over FY 2018 projected is 5%. Two of the significant changes in this cost center were in the administrative expense indirect cost center and in the payroll account. Other account adjustments include adding carpet replacement in the entryways to R & M Building, the purchase of new passenger power outlets in the holding area and adding a portion of the security system upgrades in the non-capital equipment expense account.

Terminal				
	Budget Operating Expense FY 2018-2019	Operating Expense Projected FY 2017-2018	Budget Operating Expense FY 2017-2018	Operating Expense Actual FY 2016- 2017
Payroll	1,444,792	1,277,927	1,307,332	1,094,686
Administrative Expense	629,446	585,959	498,935	519,175
Utilities	261,500	261,253	249,427	221,997
Snow Removal Expense/other	0	0	0	0
Equipment (non-capital) Expense	82,670	74,060	74,060	63,816
Customer & Employee Relations	0	0	0	0
Environmental Planning & Ops	15,560	9,860	9,860	8,654
R & M - Building	818,451	870,316	861,517	967,546
R & M - Operations	90,855	124,560	123,570	104,971
R & M - Vehicles	33,680	25,350	28,350	34,845
ARFF	7,010	8,625	6,625	5,521
Noise Monitoring and Fly Quiet Program	0	0	0	0
Control Tower Operation	0	0	0	0
TOTAL OPERATING EXPENSE	3,383,964	3,237,910	3,159,675	3,021,211

Other Buildings and Grounds: This cost center includes the Airport owned hangars, Control Tower, and rental car wash facilities. Similar to the terminal cost center significant expenses in this cost center include operations and maintenance for these buildings, custodial, non-capital equipment expense, and utilities. This cost center represents a 6% increase over the projected FY 17/18.

Other Buildings & Grounds				
	Budget Operating Expense FY 2018-2019	Operating Expense Projected FY 2017-2018	Budget Operating Expense FY 2017-2018	Operating Expense Actual FY 2016- 2017
Payroll	295,806	257,376	265,025	220,471
Administrative Expense	196,702	183,112	155,917	162,242
Utilities	26,150	23,750	22,675	20,182
Snow Removal Expense/other	11,560	11,075	10,575	8,260
Equipment (non-capital) Expense	30,706	27,508	27,508	23,703
Customer & Employee Relations	0	0	0	0
Environmental Planning & Ops	0	0	0	0
R & M - Building	102,306	108,790	107,690	120,943
R & M - Operations	30,285	41,520	41,190	34,990
R & M - Vehicles	16,840	12,675	14,175	17,423
ARFF	3,505	4,313	3,313	2,761
Noise Monitoring and Fly Quiet Program	0	0	0	0
Control Tower Operation	57,000	57,000	57,000	61,389
TOTAL OPERATING EXPENSE	770,860	727,118	705,068	672,364

Environmental: The Airport continues to make environmental initiatives a focus. This is reflected in this budget with a 21% increase in the environmental cost center. The customer and employee relations indirect cost center is used to communicate with the community and travelers regarding environmental initiatives and increased \$9,697. Environmental planning and operations increased \$91,200 over projected FY 17/18. Some of the enhanced environmental initiatives affecting this account include upgrading recycling efforts throughout the terminal, and purchasing more green energy.

In addition to the above environmental efforts, this year will mark the completion of the rental car QTA facilities which will feature state of the art environmental technologies including recycling water and energy saving initiatives. Finally, the airport continues to invest in noise monitoring and the Fly Quiet Program which are included in this cost center.

Environmental				
	Budget Operating Expense FY 2018-2019	Operating Expense Projected FY 2017-2018	Budget Operating Expense FY 2017-2018	Operating Expense Actual FY 2016- 2017
Payroll	159,430	163,005	151,443	139,632
Administrative Expense	19,670	18,311	15,592	16,224
Utilities	52,300	23,750	22,675	20,182
Snow Removal Expense/other	0	0	0	0
Equipment (non-capital) Expense	42,516	38,088	38,088	32,820
Customer & Employee Relations	15,065	5,368	4,520	4,815
Environmental Planning & Ops	248,960	157,760	157,760	138,459
R & M - Building	0	0	0	0
R & M - Operations	30,285	41,520	41,190	34,990
R & M - Vehicles	50,520	38,025	42,525	52,268
ARFF	0	0	0	0
Noise Monitoring and Fly Quiet Program	155,000	155,000	155,000	74,873
Control Tower Operation	0	0	0	0
TOTAL OPERATING EXPENSE	773,747	640,827	628,793	514,262

Community Outreach: Community outreach is also a focus this budget year. This is reflected by a 35% increase in this cost center. The customer and employee relations indirect cost center is the greatest portion of the Community Outreach cost center was adjusted \$184,243 this budget year. Some of the additional community events and outreach efforts affecting this account include the 50th Anniversary activities, the Town of Jackson parking agreement, and employee customer training sessions.

Community Outreach				
	Budget Operating Expense FY 2018-2019	Operating Expense Projected FY 2017-2018	Budget Operating Expense FY 2017-2018	Operating Expense Actual FY 2016- 2017
Payroll	334,998	335,708	340,747	287,571
Administrative Expense	39,340	36,622	31,183	32,448
Utilities	0	0	0	0
Snow Removal Expense/other	0	0	0	0
Equipment (non-capital) Expense	0	0	0	0
Customer & Employee Relations	286,242	101,999	85,880	91,476
Environmental Planning & Ops	24,896	15,776	15,776	13,846
R & M - Building	0	0	0	0
R & M - Operations	30,285	41,520	41,190	34,990
R & M - Vehicles	0	0	0	0
ARFF	0	0	0	0
Noise Monitoring and Fly Quiet Program	0	0	0	0
Control Tower Operation	0	0	0	0
TOTAL OPERATING EXPENSE	715,761	531,625	514,776	460,331

Security Operations Budget

This budget year the Board moved all security operations into a separate enterprise center. Expenses include the provision of security screening services, night security, and the costs associated with the Town of Jackson LEO agreement. This is reflected in the security operations budget presented below.

July 2018 - June 2019 Security Operations Budget

Revenues	FYE 19
TSA Security	6,482,657
TSA LEO	-
Security Badges	<u>12,000</u>
Total Revenues	<u>6,494,657</u>
Expenses	
Security Payroll	(5,743,654)
Claims	(10,000)
Other	(100,000)
Night Security	(90,228)
TOJ LEO	<u>(531,924)</u>
Total Expenses	<u>(6,475,806)</u>
Net To/(From) JHAB	
	<u>18,851</u>

Fuel Farm Operations Budget

The fuel farm operating budget is presented below. The Board will operate the fuel farm itself and all fuel farm expenses are included in the fuel farm budget. These expenses include 2 FTEs, fuel purchase expense, maintenance, glycol trucking expenses, and insurance. Revenues include fuel sales (at cost), fuel facility use fees (\$0.25/gallon), and glycol administration.

July 2018 - June 2019 Fuel Farm Budget Estimate Total FY 19

Revenues	
Fuel Revenue w/o fuel fees	14,246,501
Fuel Flowage Fees \$0.05/gal	322,200
Additional Fuel Fees \$0.20/gal	1,288,800
Glycol Revenue	500,000
Glycol Administration	150,000
Total Revenues	16,507,501
Expenses	
Fuel Expense	(14,246,501)
Labor (2 FTE)	(199,012)
Maintenance and Overhead	(48,000)
Glycol Expense	(500,000)
Trucking Expense	(120,000)
Insurance	(21,119)
Capital Expenses	-
Total Expenses	(15,134,633)
Sub-Total Company	
Revenues	16,507,501
Expenses	(15,134,633)
Funds available for debt service	1,372,869
Loan Payment	(882,960)
Net To/From JHAB	489,909
Contingency Fees	14,697
	475,211

Debt

This budget year the Board intends to issue a Special Facility Bond for the construction of the rental car Quick Turn Around facility for an anticipated \$10,700,000. This debt will be financed by customer facility charges collected by the rental cars. The interest rate anticipated for this bond is projected at 4% for 10 years. In FY 2017/2018 the Board issued a Private Activity Bond for the construction of the new fuel facility at the airport. All of the bonds issued by the airport are considered revenue bonds because they are repaid by the individual revenue stream generated by the asset they were issued against as detailed below.

	Annual Source	Annual Payment
WBC - Terminal Bag Claim		-323,249
WBC – Terminal		-158,374
BOW - Terminal Bag Claim		-250,817
WBC - WW Conveyance		-53,875
BOW - Fuel Farm		-882,960
QTA (10 year) New		-1,345,597
Total Bond Payments		-3,014,875
Paid with PFC	786,315	
Paid with CFC	1,345,597	
Paid with Flow Fee	882,960	
Total Bond Sources	3,014,875	
Difference Payments/Sources		0

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). The CIP is developed each year and updated throughout the year as funding becomes available and projects change priority. In the following table projects are ranked “A” priority (top) through “C.” All projects are important to the airport and are slated for completion but “A” priority projects will be completed first followed by “B” and “C” as funding and time is available. “A” priority projects total \$20,138,000 this budget year, with local funds for “A” priority projects anticipated to be \$5,826,097. The table below shows the total anticipated capital projects for 2019 with priority rankings.

Capital Improvement Equipment and Grant Projects	Expense	FAA	State	PFC/CFC	Airport Cash Reserve	Debt	Total Income	Priority
FBO & Hangar 6 - Design *	900,000				900,000		900,000	A
Hangar 3A-C - Design *	600,000				600,000		600,000	A
No So. Access Rd. & Drain CA/CO	900,000				900,000		900,000	A
Rehab No/So Access Road & Drainage	6,852,000	4,400,000			2,452,000		6,852,000	A
QTA CA/CO	570,000			91,903	413,097	65,000	570,000	A
QTA Build	9,135,000				-	9,135,000	9,135,000	A
SRE/ARFF Building Design	500,000		500,000		-		500,000	A
replace ops 5/6 for 3/4 ton pickup	150,000				150,000		150,000	A
New runway broom	350,000				350,000		350,000	A
Crack seal and fog seal access road	61,000				61,000		61,000	A
Wildlife Hazard Mitigation *	120,000	120,000			-		120,000	A
IT Infrastructure Upgrades	150,000				150,000		150,000	A
Environmental On-Call Services	150,000				150,000		150,000	A
Parking Revenue Collection System	675,000				675,000		675,000	B
Building Exterior Finish	315,000				315,000		315,000	B
Restaurant Expansion Project *	2,500,000				2,500,000		2,500,000	B
Parking Lot Space & Lighting *	1,500,000				-	1,500,000	1,500,000	B
Electronic Key System	80,000				80,000		80,000	B
Spring Gulch Roadwork (Placeholder)	300,000				300,000		300,000	B
Alert Phone System	35,000				35,000		35,000	C
Terminal ADA Pet Relief Area	25,000				25,000		25,000	C
Hotsy Purchase	25,000				25,000		25,000	C
Hybrid Vehicle Purchase	50,000				50,000		50,000	C
TOTAL CAPITAL EXPENSE	25,943,000	4,520,000	500,000	91,903	10,131,097	10,700,000	25,943,000	

* A refined number is needed for this project item

Priority Rankings:

A – project is in process, tied to other projects or required for the operation of the airport

B – project is a high priority but is not already in process or tied to another project

C – project can be delayed until time/funding is available