

ANNUAL BUDGET & APPROPRIATION ORDINANCE

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GREATER ROCKFORD AIRPORT AUTHORITY
FOR THE FISCAL YEAR OF 2019
ROCKFORD, ILLINOIS





Fiscal Year 2019 Annual Budget and Appropriations Ordinance

For the period of May 1, 2018 - April 30, 2019

Greater Rockford Airport Authority

Chicago Rockford International Airport

Rockford, Illinois

Board of Commissioners

Paul Cicero, Chairman

Tom Myers, Vice Chairman

Patrick Derry, Secretary

Kenneth Edward Copeland, Treasurer

Tom Dal Santo

John Elliott

Pat Agnew

Michael P. Dunn, Executive Director

Michelle Cassaro, Deputy Director of Finance and Administration

Jan Benoit, Finance Manager

Mission

Create regional economic opportunities through global aviation.

Vision

Be innovative in aviation; maximizing assets to create economic opportunity, growth, convenience, and customer satisfaction.

Values

Integrity: Trustworthy, honest, and always do the right thing.

Respect: Open to the opinions, thoughts, and values of others.

Dedicated: Loyal and committed to organizational goals.

Resourceful: Innovative; use creativity and imagination to find ways to achieve results.

Reliable: Available, dependable, and consistent.

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October 25, 2018

The Honorable Chairman and Board of Commissioners
Greater Rockford Airport Authority
60 Airport Drive
Rockford, IL 61109

Dear Mr. Chairman and Commissioners:

Respectfully presented is the annual budget of the Greater Rockford Airport Authority (Authority) as approved by the Board of Commissioners May 31, 2018. The Authority operates the Chicago Rockford International Airport (RFD).

The budget includes plans and resources to move toward the strategic goals. This includes continued efforts to grow passengers, work to develop underutilized areas of the airport and make the RFD cargo capabilities known across the globe.

The capital budget includes funds for key infrastructure upgrades to support the expansion and growth of aviation development. Highlights of the capital improvement plan include completion of the terminal expansion and further expansion of the cargo apron allowing for more aircraft capacity.

The budget strategically directs the allocation of resources to best enable the Authority to operate RFD in a manner that exceeds customer expectations and meets all safety and security requirements. It funds operations, activities, infrastructure, equipment and technology enhancements to meet the strategic goals of the Authority for the next year and into the future.

Budget Objectives

The Authority's goals for the FYE19 budget are to allocate resources to RFD programs and services to:

- ➔ Operate a safe and secure airport.
- ➔ Continue to provide exceptional customer service to RFD passengers and users of the airport.
- ➔ Operate an efficient and financially self-sustaining organization.
- ➔ Provide the necessary resources to accomplish the Authority's strategic plan.
- ➔ Meet all regulatory, legal and contractual requirements.

The budget objectives are further broken down within the capital and each of the departmental budgets for the year.

Overview and Economic Conditions

The Authority is one of the oldest airport authorities in the United States. Formed in 1946, subsequent to enabling legislation, the Authority has four communities who appoint a seven-member Board of Commissioners. The Board of Commissioners is responsible for setting policies and ordinances governing the operations of the Authority, which are carried out or enforced by a professional staff.

We have unrestricted airspace and a seven day 24 hour FAA Air Traffic Control Tower. RFD is a world-class airport capable of landing any aircraft in Category II/III conditions.

RFD is a United States Customs Port of Entry and grantee of Foreign Trade Zone (FTZ) #176. The diverse activities at RFD cause it to have a greater economic impact on the region it serves than any other commercial service airport in the State of Illinois, excluding the City of Chicago's airport system.

RFD is located in the southwest quadrant of Rockford, Illinois with easy access from five major highways. It is located approximately 85 miles northwest of Chicago, Illinois; 90 miles southwest of Milwaukee, Wisconsin; 60 miles southeast of Madison, Wisconsin; 90 miles east of Dubuque, Iowa; and 90 miles northeast of Moline, Illinois. The airport covers an area of about 3,000 acres with 800 of those acres airfield related. The market service area ranges from 2,500,000 people at 60 minutes to 8,400,000 people at 90 minutes. RFD is geographically centered within the region.



The economic condition and outlook for the region has improved over the prior year. The Metropolitan Statistical Area (MSA) includes almost 340,000 people. The number of employed individuals in the county is over 158,000. Business growth continues and employment needs are increasing. The unemployment rate decreased from 6.9% to 6.5% for Winnebago County over the last year. There is continued local collaboration to increase the quality of available workers to meet the demands of the increasingly technical and specialized job opportunities in the local area. Nearly 2,500 jobs were created to support enhanced operations at the airport.

Overview and Economic Conditions (continued)

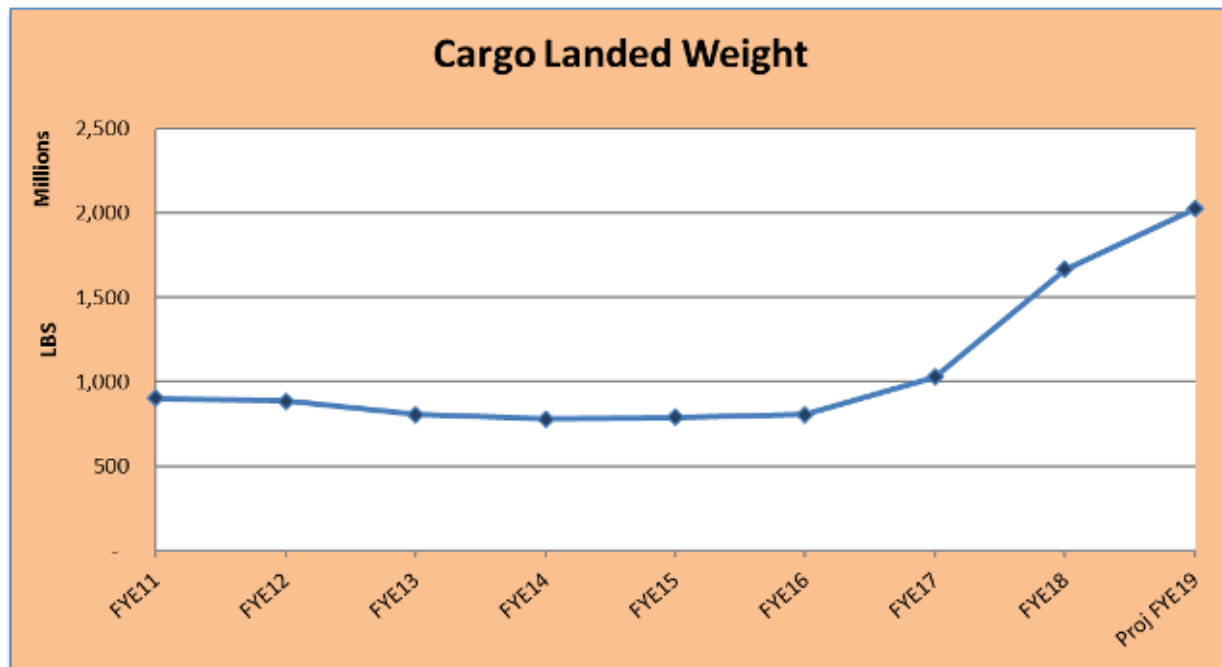
The region is considered an excellent location for manufacturing, trade, transportation, utilities, and educational and health services. The Rockford Region consists of Boone, Ogle, Stephenson and Winnebago counties in northern Illinois and Rock County in southern Wisconsin. The area lies in the heart of the Midwest, in very close proximity to Chicago, Milwaukee, Madison, Quad-Cities, and Peoria.

The financial condition of the Authority is primarily dependent upon the amount of aircraft utilization at RFD. That utilization, in turn, is dependent upon several factors: the amount of cargo that is sorted at the United Parcel Service (UPS) hub; the number of passenger airlines that service RFD; the number of passengers that use the airport; the national economy, which influences buying, and subsequent shipping habits; and, the regional economy that influences the willingness of the consumer to purchase air travel.

This has been another excellent year for Air Cargo at RFD. The most recent FAA cargo reports state that RFD is the 22nd largest cargo airport in the United States. The annual total of gross landed weight for all cargo aircraft for FYE2018 was up 62.17%. FYE2019 budget projects a 21.49% increase in cargo weight due to the increased cargo activity at RFD.

UPS is celebrating the 25th anniversary of its air cargo sorting facility at RFD. It is the second largest UPS hub in North America. During FY2018, UPS added 13 more flights weekly to RFD. UPS landing fee revenue has always been a significant part of the Authority budget and will continue to grow.

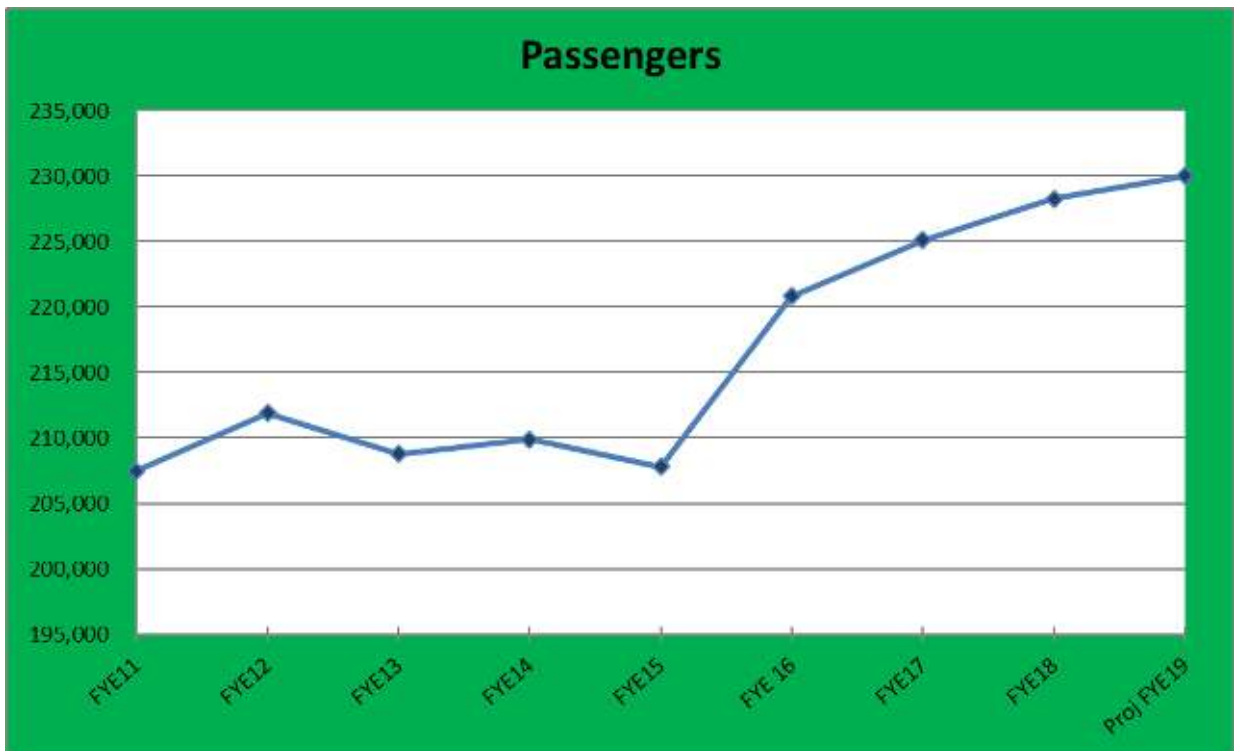
Currently there are three cargo carriers, Atlas Air, ABX Air and ATI, serving one major customer. The customer will be expanding the facility in FY2019. Increased cargo activity for this customer is anticipated to further increase operating revenues for the Authority.



Overview and Economic Conditions (continued)

Passenger service is a high priority at RFD. Currently Allegiant Air offers service to Las Vegas, Orlando/Sanford, Clearwater/St Pete, Punta Gorda/Ft Myers, and Phoenix/Mesa. Allegiant Air accounts for over 80% of all seats currently available at RFD. Apple Vacations offers seasonal service to Cancun, Punta Cana, and Montego Bay. Passenger growth increased 3.24% from the prior year. Increases were seen in both domestic and international service.

Our goal is to continue to increase the number of passengers and airlines. Staff efforts to research potential routes and carriers is an ongoing endeavor. Increasing our destinations with our primary carrier, Allegiant Air, is a priority. RFD is projecting a steady level of passengers for the coming year.



The Foreign Trade Zone (FTZ) program creates a partnership between American business and the Federal government, increasing the global market share of U.S. businesses and retaining or creating jobs at home. The FTZ program fits the mission of the Authority to expand business opportunity, create jobs and assist local companies to compete more effectively in the global marketplace. Service is now readily available to prospects in all of Boone, Ogle, Lee, Stephenson, Winnebago as well as parts of Bureau, Kane and McHenry Counties, most of LaSalle and part of Putnam County. While the growth in movement of products through FTZ activated sites and subzones has slowed in the recessionary economy, interest in activation is growing, with 2-3 additional applications anticipated during FYE19.

Budget Summary

The budget presented has many highlights discussed in subsequent sections. Operating revenue is budgeted at \$8,416,742 for FYE19. This is an increase of 37.83% from the prior year budget mainly related to increases in airport fees. Operating expenses are budgeted at \$8,961,231 which is a 15.13% increase compared to the prior year budget.

	FYE17	BFYE18	Est. FYE18	BFYE19	BFYE18 vs BFYE19
Operating Revenue					
Airport fees-airside	\$ 2,377,449	\$ 3,152,426	\$ 3,176,001	\$ 4,409,038	
Airport fees-landside	194,450	210,000	630,800	1,203,067	
Lease revenue-on airport	1,033,201	1,474,542	1,218,718	1,462,608	
Lease revenue-off airport	587,237	600,030	619,162	576,511	
Airport service fees	126,659	191,850	330,950	270,975	
Other	500,477	477,688	504,595	494,544	
Total Operating Revenue	4,819,473	6,106,536	6,480,227	8,416,742	37.83%
Operating Expense					
Personnel services	(3,957,557)	(3,786,822)	(3,997,365)	(3,935,030)	
Contractual services	(2,570,490)	(2,589,409)	(2,381,692)	(3,598,119)	
Commodities	(692,246)	(1,053,523)	(1,037,175)	(1,111,303)	
Other	(377,856)	(353,640)	(383,914)	(316,780)	
Total Operating Expense	(7,598,149)	(7,783,394)	(7,800,145)	(8,961,231)	15.13%
Net Operating Expense	(2,778,676)	(1,676,858)	(1,319,919)	(544,489)	
Non-operating Revenue (Expense)					
Property tax levy-operating	2,763,791	2,894,611	2,863,368	2,954,052	
Replacement tax	621,501	610,000	610,000	590,000	
Interest income	14,532	3,000	20,942	15,000	
ALP reimbursement funds	5,401,329	100,000	-	10,000	
Passenger facility charges	497,802	510,469	510,000	511,140	
Gain/(Loss) on disposal of assets	30,597	25,000	6,100	25,000	
Current capital contributions	2,342,522	11,900,000	11,900,000	6,881,728	
Intergovernmental contributions	759,725	-	450,000	912,084	
Interest expense	(974,449)	(976,881)	(1,200,000)	(1,628,199)	
Total Non-operating Revenue (Expense)	11,457,350	15,066,199	15,160,410	10,270,805	-31.83%
	11,446,384				
Debt Service, Sinking Fund Deposits & Other Uses					
Debt service principal payments	(567,000)	(790,678)	(800,000)	(2,127,035)	
Debt Service	4,750,000	-	-	-	
Total Debt Service and Sinking Fund Deposits	4,183,000	(790,678)	(800,000)	(2,127,035)	
Net before Capital	12,861,674	12,598,663	13,040,491	7,599,280	
Capital Improvement Program					
Airside projects	(1,538,223)	(6,861,111)	(6,860,000)	(4,333,703)	
Landside projects	-	-	-	-	
Terminal projects	(6,930,671)	(4,889,330)	(4,880,000)	(2,207,360)	
Administration projects	(130,000)	-	-	-	
Maintenance projects	(81,460)	(732,500)	(730,000)	(980,000)	
Operations projects	(15,000)	(9,000)	(9,000)	(25,000)	
Total Capital Improvements	(8,695,354)	(12,491,941)	(12,479,000)	(7,546,063)	
Excess Funds	\$ 4,166,320	\$ 106,722	\$ 561,491	\$ 53,217	

History

Camp Grant

In 1917, during World War I, RFD, then named “Camp Grant,” was a U.S. Army cavalry camp. During World War II the Army transformed Camp Grant into a military training base and a prisoner of war detainment camp.

In 1946, the State of Illinois adopted the Airport Authorities Act; thus, the Greater Rockford Airport Authority was created. The original Board of Commissioners requested and received a grant of 1,500 acres of federal land. The airfield was constructed using most of the military base infrastructure. Over the last 50 years, RFD has hosted numerous airlines including: Braniff, Ozark, Frontier, Midwest Express, TWA, American, Northwest, TransMeridian, Hooters Air, Sunship1 and United. Airlines currently serving RFD include Allegiant and Apple Vacations.

RFD’s Terminal

In 1987, a new terminal building was constructed to better meet the community’s passenger travel needs. Within the last few years, significant terminal internal reconstruction and reconfiguration projects have been completed to accommodate the many new passengers and to meet Transportation Security Administration requirements. The terminal is currently at capacity. A four-phase expansion project began in FY2017 and will continue through FY2019.

Infrastructure

Within the last several years, millions of federal dollars have been invested in airport infrastructure improvements. There are two runways: one is 8,200 feet in length; the longest is 10,000 feet in length. The 10,000 foot runway has a Category II/III Landing System, which is a valuable landing aid for commercial and private pilots. The current year budget includes funding to expand the cargo apron due to increased cargo activity at RFD.

In 1996, a two million-gallon fuel storage facility funded by United Parcel Service, along with a perimeter roadway system, was constructed. The storage facility increases the stability of the airport now that fuel is immediately available. This storage facility is directly linked to an underground pipeline that ships all jet fuel necessary. There are future plans to expand the underground pipeline asset.

Organization

The Board of Commissioners continues its aggressive stance to further grow all areas of airport development. The Authority is governed by a seven-member Board of Commissioners. The members are appointed as follows:

- ➔ The Mayor of the City of Rockford, 3 members;
- ➔ Winnebago County Board Chairman, 2 members;
- ➔ The Mayor of the City of Loves Park, 1 member; and
- ➔ The Village President of Machesney Park, 1 member.

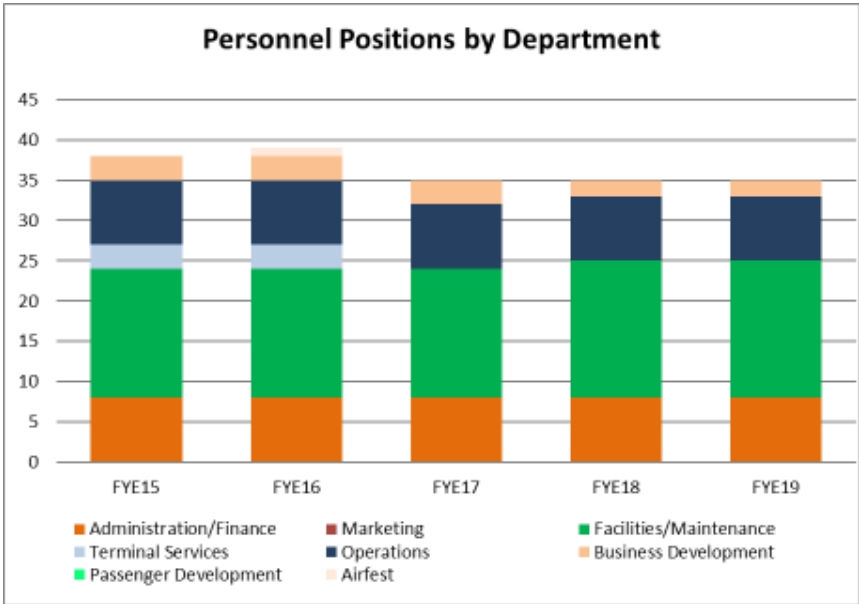
The Board members serve five-year terms, except that any person appointed to fill a vacancy will be appointed to serve the unexpired term. Members of the Board of Commissioners are eligible for reappointment. The Board selects an Executive Director to staff the respective departments and oversee the day-to-day operations.

Organization (continued)

Organizational Chart and Senior Management



Following outlines the changes in total staffing by fiscal year.



Organization (continued)

The Executive Director of the Authority reports to the Board of Commissioners. In BFYE19, airport staff is comprised of 42 employees (including seven Commissioners). Staff is consistent with the prior year.

	FYE17 Actual	FYE18 Actual	FYE19 Budget
Administration & Finance			
Airport Commissioners	7	7	7
Executive Director	1	1	1
Deputy Directors	1	1	1
Managers	2	2	2
Executive Assistant	1	1	1
Accounting Assistants	2	2	2
Administrative Assistants	1	1	1
Department Total	15	15	15
Facilities & Maintenance			
Manager	1	1	1
Assistant Manager	0	0	1
Operations & Facilities Technician I	11	11	8
Operations & Facilities Technician II	2	2	2
Operations & Facilities Technician III	2	3	6
Department Total	16	17	18
Operations			
Manager	1	1	1
Assistant Manager	1	1	0
Supervisor	1	1	1
Operations & Facilities Specialist	5	5	5
Department Total	8	8	7
Terminal Services			
Operations & Facilities Technician III	3	0	0
Department Total	3	0	0
Business Development			
Deputy Director	1	1	1
Manager	1	1	1
Department Total	2	2	2
Total Organization	44	42	42

Strategic Plan

The Greater Rockford Airport Authority strategic plan is a tool to guide the organization to deliver our vision. The plan is driven by our mission and values. The strategic planning process ensures the most effective use is made of the Authority's resources by focusing on key priorities. We identify targets for each goal, allowing board and staff to monitor RFD's continuing progress. The budget incorporates the resources necessary to accomplish the goals of the strategic plan.

The Authority reviewed our progress on prior initiatives, the current aviation environment, and our opportunities for future growth during FY2018. All departments participated in developing a new strategic plan aligned with our mission, vision, and values. Budget planning was driven by the strategic plan. The strategic plan is as follows:

FINANCIAL AND HUMAN RESOURCES		
Objective: Increase and diversity revenue sources		
Initiatives	Targets	Performance Measures
Maximize non-aeronautical revenues (parking, concessions, rental cars, etc.)	Non-aeronautical revenues increased by 5% annually	Growth in diversified revenue sources
Optimize new terminal and leverage the asset to bring in new revenue sources	Create revenue generating space in terminal (advertising, sponsorship)	Revenue increase
Increase land development and maximize airport property occupancy	Non-aeronautical revenues of at least 50% of total revenue	Growth in annual non-aeronautical lease revenue
Objective: Attract and retain a qualified and talented workforce		
Initiatives	Targets	Performance Measures
Provide a work environment that supports professional development, employee advancement and retention	Comprehensive training program and developmental goals for all airport employees	Training goals met and employee advancement opportunities
Complete performance appraisals	Performance appraisal system for all employees	Number of completed performance appraisals
Provide employee opportunities for wellness and healthy lifestyles	Wellness program with active participation and proven results	Percent of active employees and changes in health statistics

Strategic Plan (continued)

ECONOMIC AND BUSINESS DEVELOPMENT		
Objective: Expand cargo service to increase economic impact and viability		
Initiatives	Targets	Performance Measures
Increase cargo volume with existing and potential cargo operators	Ranking: Top 20 Landed weight increase: 50%	FAA Ranking, Annual Cargo Landed Weight
Increase number of cargo operations with existing and new operators	New cargo operators: 1 Operations increase: 20%	Number of new cargo operators and operations
Increase international cargo activity	International landed weight: 15% increase	Increase in international landed weight
OPERATIONS AND FACILITIES		
Objective: Provide a safe and secure airport		
Initiatives	Targets	Performance Measures
Ensure safe operational status with improved Nav-aids, perimeter roadway, rescue and firefighting	Zero incidents	FAA Annual Certification
Improve work place safety	Monthly Safety Committee Meetings	TSA Audit, OSHA reporting, and monthly safety inspections
Implement Safety Management System based on FAA regulations	SMS Compliance in 12-18 months	SMS Safety Program
Objective: Improve and upgrade infrastructure condition		
Initiatives	Targets	Performance Measures
Expand work order system to further improve efficiencies and measure future needs	Continue growth of Cityworks to include all airport assets and work order activities	Monthly Cityworks reports presented to staff and board
Implement pavement maintenance plan	Determine needs and develop plan accordingly	Pavement Condition Index (PCI) and completed budget
Plan to evaluate airport projects to incorporate the efficient placement of all future utility infrastructures	Work with local utility providers to enhance safety and operational integrity of RFD	Airside/street side and facility improvements
Develop facilities capital plan	Follow 10 year plan and budget forecast to support plan	Completed plan and budget
Objective: Protect and enhance the environment		
Initiatives	Targets	Performance Measures
Utilize and expand alternative energy efficiencies	3% reduction in energy usage per year	Energy savings and use of alternative energy
Reduce environmental impact with other energy alternatives	Reduce carbon footprint	Energy usage and other measures

Strategic Plan (continued)

PASSENGER EXPERIENCE AND COMMUNITY INVOLVEMENT		
Objective: Expand passenger service to respond to regional demand		
Maintain competitive rates and charges to retain current providers and attract new passenger and cargo service	Ranking: Top 200; added destinations, carriers, and increased frequency of existing routes	FAA Airport Ranking
Establish international and domestic seasonal flights in support of the travel industry	Passenger increase: 10% increase in available seats in market	Increase in passenger numbers
Re-emphasize our service offerings to our local market and high volume travel areas outside of our traditional catchment area	Reduction of passenger leakage on existing routes and increased usage by areas outside of our catchment area	Increases in passengers including passenger growth from areas outside the catchment area
Objective: Provide exceptional and continuously improving customer service		
<i>Initiatives</i>	<i>Targets</i>	<i>Performance Measures</i>
Improve customer interaction opportunities to strengthen customer relationship	Social media, Constant Contact, appreciation events (75th Anniversary) in 2021)	1% participation in survey kiosk in terminal
Continually improve customer convenience and hospitality to welcome passengers	Grow volunteer program to 40 volunteers	Satisfied customers
Objective: Excel as a community partner for the region		
<i>Initiatives</i>	<i>Targets</i>	<i>Performance Measures</i>
Develop collaborative opportunities for promotion, education and recruitment through various businesses and community events and tours	Continue and/or increase participation	Toys for Tots, Cub Scouts, Light up the Parks Parade, Festival of Lights, Tough Mudder Host, annual job fair to support tenants
Identify opportunities to collaborate with organizations to attract complimentary services to airport passengers and tenants	Economic development organizations	Increased number of collaborations and services

A progress report on initiatives outlined in the FY2018 adopted budget and goals for the FY2019 adopted budget are included within each department's report in the Operating Expenses section of this document. The department initiatives include specific steps staff has undertaken to achieve the strategic priorities included in the strategic plan.

Financial Policies

The Authority's long-range goal is growth with balanced self-sufficiency, efficient debt use, and the means to these goals are sound fundamental financial policies. The financial policies that lay the groundwork for the budget are as follows:

Basis of Accounting

The annual financial statements of the Authority are prepared on the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single enterprise fund.

Pursuant to GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Government Entities that Use Proprietary Fund Accounting, the Authority follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

Basis of Budget

The Authority budget is prepared on an accrual basis with the exception for the following:

- ➔ Principal payments on long-term debt are applied to the outstanding liability on a GAAP basis, as opposed to being expensed on a budget basis.
- ➔ Capital outlays are recorded as assets on a GAAP basis and fully expended for budgetary purposes.

The budget process begins each November. Authority management has long recognized the importance of proper and accurate budgeting. Management annually creates a comprehensive line item budget that is adopted by the Board of Commissioners in a public meeting before the beginning of each fiscal year. The budget narratives are detailed projections of the expected financial operation over the next year in accordance with the Authority's long-range financial plans. The budget is created using zero-based budgeting techniques in which each expenditure line item is evaluated on its own merit each year.

Management's control of the budget is maintained at the department level. It is the responsibility of each department to administer its operations in such a manner as to ensure that the use of funds is consistent with the goals and programs authorized by the Board of Commissioners.

The Authority's definition of a balanced budget is one in which revenues and other resources equal or exceed expenditures and other uses. A balanced budget is an integral part of maintaining the Authority's financial integrity. Strategies employed to attain this balance include cost reductions, personnel and service efficiencies, and increasing fees to match related expenses.

Operating Revenues and Expenses

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Authority's operations. The principal operating revenues of the Authority are airport fees (primarily landing fees and fuel flowage fees) and lease revenue. The Authority also recognizes certain other revenues as operating revenues, including airport service fees, storm water retention fees, fuel permits, quarry fees, etc.

Financial Policies (continued)

Operating expenses for the Authority include personnel and benefit costs, contractual services costs, commodities and others. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash, Cash Equivalents and Investments

The Authority considers all highly liquid investments (including short-term investments) with maturity of three months or less when purchased to be cash equivalents.

Investments are stated at fair value. Fair value is determined based primarily on the basis of quoted market prices. Interest income is recorded as earned.

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of bank failure, the Authority's deposits may not be returned to it. The Authority has a policy regarding custodial credit risk which requires that funds on deposit in excess of FDIC or FSLIC limits be secured by either securities guaranteed by the full faith and credit of the United States of America or obligations of the United States of America or its agencies. The Authority's policy also requires that the amount of collateral provided shall not be less than 105 percent of the fair market value of the funds secured. Pledged collateral shall be held by the Authority or in safekeeping, evidenced by a safekeeping agreement. Collateral in safekeeping must be held by a third party or by an escrow agent of the pledging institution.

Credit Risk: The Authority may invest in public funds in certain types of security as allowed by the Public Funds Investment Act, 30 ILCS 235 et seq. "Public Funds" are defined as current operating funds, special funds, interest and sinking funds, and funds of any kind belonging to or in custody of the Authority. While the Public Funds Investment Act allows the investment of public funds in a wider range of possible securities, it is the policy of the Authority that investments be limited to the allowed securities as identified hereof.

Allowable securities are as follows:

- ➔ Bonds, notes, certificates of indebtedness, treasury bills, or other securities, which are guaranteed by the full faith and credit of the United States of America.
- ➔ Bonds, notes, debentures, or other similar obligations of the United States of America or its agencies.
- ➔ Any interest bearing account, deposit (including certificates of deposit), or any other investment constituting direct obligations of any bank, collateralized per the investment policy, and as defined by the Illinois Banking Act and only those insured by the Federal Deposit Insurance Corporation (FDIC).
- ➔ Any repurchase agreement not to exceed 330 days as provided for in 30 ILCS 235/2 (h) so long as such repurchase agreements comply with said statute and are supported by the full faith and credit of the United States of America.

Custodial Credit Risk – Investments: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy addresses custodial credit risk, as applicable, as detailed under Custodial Credit Risk – Deposits.

Financial Policies (continued)

Concentration of Credit Risk – Investments: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Authority's investment policy allows for no more than 40 percent of the total investment portfolio, exclusive of U.S. Treasury securities held in safekeeping to be held at one financial institution.

Accounts Receivable

Accounts receivable includes amounts due from Authority tenants as well as amounts due from the federal and state governments for grants. The amount shown is reduced by an estimated reserve for uncollectible accounts.

Taxes Receivable

Taxes receivable include taxes levied in the current fiscal year that will be paid in the following fiscal year. The balance is fully deferred at year-end because the tax levy will be used to fund expenses of the following year.

Designated Assets

Designated assets include all deposits and receivables either legally restricted or Board designated for specified purposes. Designated assets are segregated, by purpose, as follows:

- ➔ Debt service – These assets are used to fund current maturities for the outstanding bond payments.
- ➔ Capital projects – These assets are used to fund budgeted capital items with the exception of debt service.
- ➔ Stormwater retention and landfill closure – These assets are restricted for the repair, maintenance and monitoring of the stormwater retention pond and for the estimated landfill closure costs.

When expenses are incurred for which both designated and unrestricted resources are available, it is the Authority's policy to first apply designated resources. The Authority understands the need to replace capital items. In order to minimize the impact of future capital expenses, staff has planned for capital replacements with the use of designated assets and they are funded by annual deposits from excess funds available.

Capital Assets

An accounting and inventory of all capital assets is maintained to ensure proper accounting control resulting in accurate financial reports. All individual items with a cost in excess of \$2,000 that provide more than one year of economic benefit are capitalized. Depreciation is calculated by the straight-line method using the assets useful life that is classified as follows:

	<u>Years</u>
Buildings	20
Infrastructure	20
Machinery, equipment & vehicles	5 – 10
Furniture & fixtures	3 – 5

Routine maintenance and repairs are expensed as incurred. Significant betterment and improvements are capitalized and depreciated over their estimated useful lives. Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the assets constructed, net of interest earned on the invested proceeds over the same period.

Financial Policies (continued)

Deferred Charges and Unamortized Premium on Bonds

All costs associated with the issuance of bonds and other long-term debts are capitalized. Amortization is calculated by the straight-line half-year (bonds outstanding) method over the term of the debt. Bond premiums are amortized in the same manner. This method does not differ significantly from the effective interest method.

Compensated Absences

The Authority accrues vacation and sick pay benefits as earned by its employees.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Assets

The Authority classifies its net assets in three categories as follows:

- ➔ Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction or improvement of those assets.
- ➔ Restricted net assets result when constraints placed on assets used are either externally imposed by creditors, grantors, and the like, or imposed by law through constitutional provisions or enabling legislation. The Authority has no restricted net assets.
- ➔ Unrestricted net assets consist of all other net assets that do not meet the criteria above.

Operating Reserves

The Authority maintains operating reserve funds to protect against the need to reduce service levels, staff, or raise fees due to temporary revenue shortfalls or unprecedented one time expenditures. A reserve was established as a target minimum level to be maintained for exposure to natural disaster, severe unforeseen emergencies and economic uncertainties. The reserve policy will mitigate any future revenue fluctuations, where the revenues generated are interrupted or otherwise insufficient to offset the operating expenditure.

To ensure sound fiscal management, preserve Authority Board discretion in its resource allocation decisions, and minimize the impact to the community and airport users the Authority establishes the following operating reserve funding targets:

- ➔ Build a 3-5 month reserve of the annual operating and non-operating expenses using a three-year trend to project the actual amount.
- ➔ Transfer all types of revenue exceeding expenses, after the payment of debt service and on-going capital project costs, into the reserve account until the target is met.
- ➔ Maintain reserves in approved investments accounts that allow for projected needs of reserves as well as the ability to earn interest income where appropriate.

The recommended target amounts are based on recommendation from rating agencies and established best practices utilized by other municipalities.

Financial Policies (continued)

Legal Debt Margin

Pursuant to the Airport Authorities Act, the Authority is given the right to issue tax secured bonds without the approval of voters within its boundaries for construction and development of an airport, provided that:

- The total of the bonds previously issued or to be issued does not exceed three-quarters percent (0.75%) of the total assessed valuation of all taxable properties within the Authority's boundaries, and
- The plans and specifications are submitted to the State of Illinois Department of Transportation, Division of Aeronautics for approval.

The Authority may issue additional bonds; however, voter approval is required. The total amount of the bonds may not exceed two and three tenths percent (2.3%) of the total assessed valuation. The 2.3% debt limit is calculated as of the time of issuance of the bonds and includes all Authority indebtedness. The Authority is also subject to a 2.875% debt limitation with respect to all outstanding indebtedness. This limit is calculated as of the date of issuance of any debt, except tax anticipation notes, tax anticipation warrants and revenue bonds.

Tax Rate

The current tax rate for the Authority is budgeted at \$.1102 per \$100 of assessed value.

Risk Financing

The Authority purchases commercial insurance coverage for the various risks the Authority may encounter in its operations. Such risks of loss relate to torts; theft of, damage to and destruction of assets; errors and omissions; and worker's compensation.

The Authority established a partial self-insurance program beginning January 1, 2008 to cover the risks of health claims and has retained the services of an outside agency to administer its self-insurance claims. The Authority does not assume unlimited liability for health claims as it maintains stop-loss coverage, which covers medical expenses when they are incurred for amounts in excess of \$3,500 annually for each participant.

Rates and Charges

The Authority periodically approves a Rates and Charges Policy by resolution. The charges incorporated therein are determined by examining costs associated with the revenue stream. Rates and Charges were reviewed and amended in August 2016 and are included in Exhibit 2. Rates and Charges are based on a combination of both residual and compensatory methods.

Internal Controls

The Authority's internal control structure is an important and integral part of its entire accounting system. The current structure in place is designed to provide reasonable, but not absolute assurance that: (1) assets are safeguarded against loss from unauthorized use or disposition; (2) transactions are executed in accordance with management's authorization; (3) financial records are reliable for preparing financial statements and maintaining accountability for assets; (4) there is compliance with applicable laws and regulations; and (5) there is effectiveness and efficiency of operations. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits that are likely to be derived from them, and that the evaluation of cost and benefits requires estimates and judgment by management.

Financial Policies (continued)

One duty of the Finance Manager is to perform internal and external auditing functions. In the course of this assignment, the Finance Manager is authorized to have full, free and unrestricted access to all records relating to the audit.

We believe that the Authority's internal control framework adequately safeguards assets and provides reasonable assurance and proper recording of financial transactions.

All financial policies have been formally adopted by the Board of Commissioners. The Authority is in compliance with all financial policies.

Budget Document

Budgeting serves as an important management tool to plan, control and evaluate the operations of the Authority. The budget has been prepared in accordance with the standards set forth by the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award Program to fully disclose the financial operations of the Authority. Upon successful review and approval, this budget will be submitted to the GFOA for their consideration of this prestigious award.

The Authority used zero-based budgeting (ZBB) techniques, which required staff to provide justification and support for all expenditures. This allows for evaluation of expenditures to ensure that each item supports and contributes to the goals of the organization. ZBB results in a more meaningful document that has the support of staff for implementation and utilization. This budget is divided into six components: transmittal letter, revenue budget, operating expenses budget, non-operating budget, capital budget, and exhibit section. The operating expense budget is further broken down into departmental budgets.

Budget Process

Budget Adoption. The Authority's budget is adopted by ordinance to comply with the provisions of State of Illinois Statute 50 ILCS 330/3, which requires a governing body to approve a budget within or before the first quarter of the fiscal year. In accordance with that same statute, the budget serves as the annual appropriations ordinance. The budget is prepared on a cash basis, whereby all revenues and expenses are recognized in the period in which cash is received and/or paid.

Budget Calendar. State law requires a tentative budget and appropriation ordinance be made conveniently available for public inspection at least thirty (30) days prior to final action thereon. Further, at least one (1) public hearing must be held prior to budget adoption and notice of this public hearing must be published in a newspaper at least thirty (30) days prior to the time of such hearing. The tentative schedule for this process was as follows:

22 March 2018	Approve Tentative Budget and Appropriation Ordinance (Exhibit 1)
28 April 2018	Public Hearing Notice published in newspaper
27 May 2018	Public Hearing
31 May 2018	Approve Adoption of Budget and Appropriation Ordinance (Exhibit 5)

Budget Process (continued)

In the fall, department heads review six month financial reports and review current budget performance with finance staff. Planning for the next fiscal year major initiatives and objectives is part of the budget process. Managers begin creating draft budgets and capital recommendations and then submit the recommendations to the Finance Department for review in December. The draft budgets are reviewed with each department head and the Director and then coordinated against the available resources and any edits or modifications are done to align the goals and plans for the coming year. With staff recommendation, the budget is finalized and presented to the Board of Commissioners for review.

Budget Amendment. The Budget is amended only upon the occurrence of an extraordinary event, as deemed by the Executive Director, with concurrence by a majority of the Board of Commissioners and then only if funds are available. There have been no budgets amendments for the previous five fiscal years.

Budget Monitoring. The independent monitoring of the budget continues throughout the fiscal year for management control purposes. Monthly financial statements comparing to budget are presented to all Senior Staff and Board Members for review. A Planning and Finance Committee comprised of the same meets monthly to discuss and review any significant items or changes.

Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Greater Rockford Airport Authority for its annual budget for the fiscal year beginning May 1, 2017. This was the nineteenth in as many years that the Authority has been awarded this prestigious award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year. It is believed the current budget continues to conform to program requirements; therefore, it will be submitted to GFOA to determine its eligibility for award. A copy of the award is found on the following page.

Distinguished Budget Presentation Award (continued)



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Greater Rockford Airport Authority
Illinois**

For the Fiscal Year Beginning

May 1, 2017

Christopher P. Morill

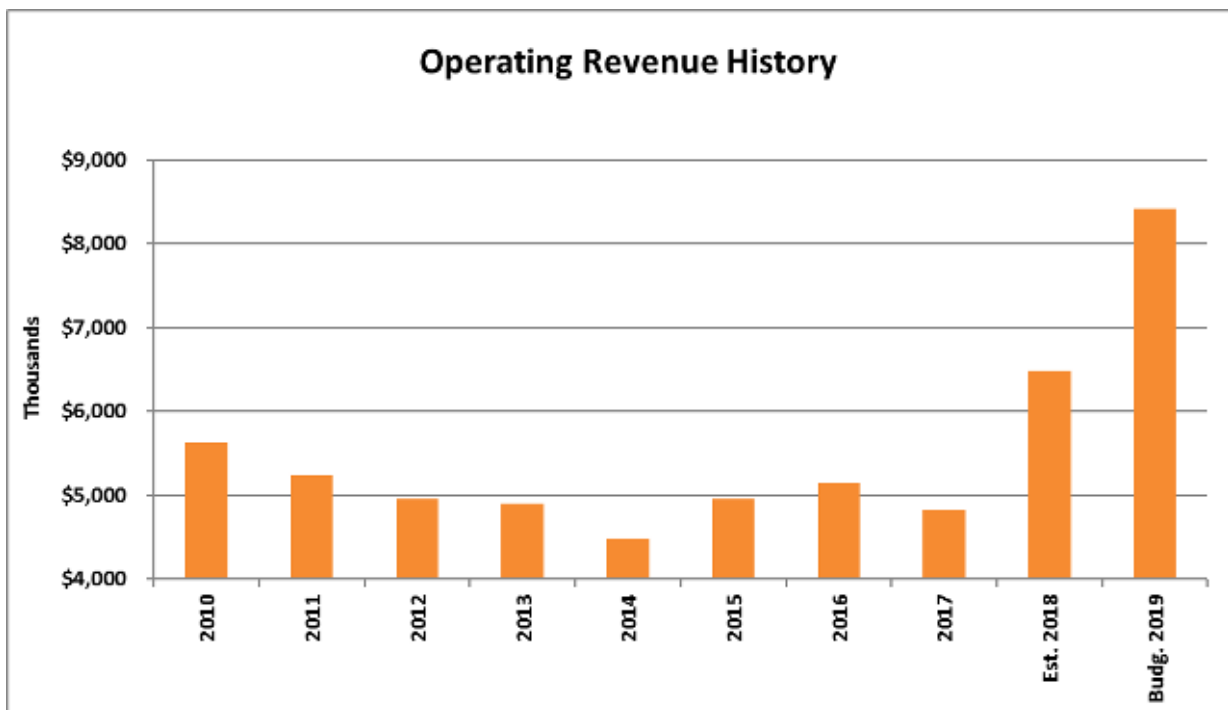
Executive Director

Revenues

Two types of revenues are budgeted, operating and non-operating. Operating revenue is derived from the day-to-day operations of the airport and includes landing fees, fuel flowage fees, hangar leases, land leases, building leases, airport service fees, operating grants, and FTZ fees. Non-operating revenue is a consequence of operating the airport; e.g., tax levy and interest income.

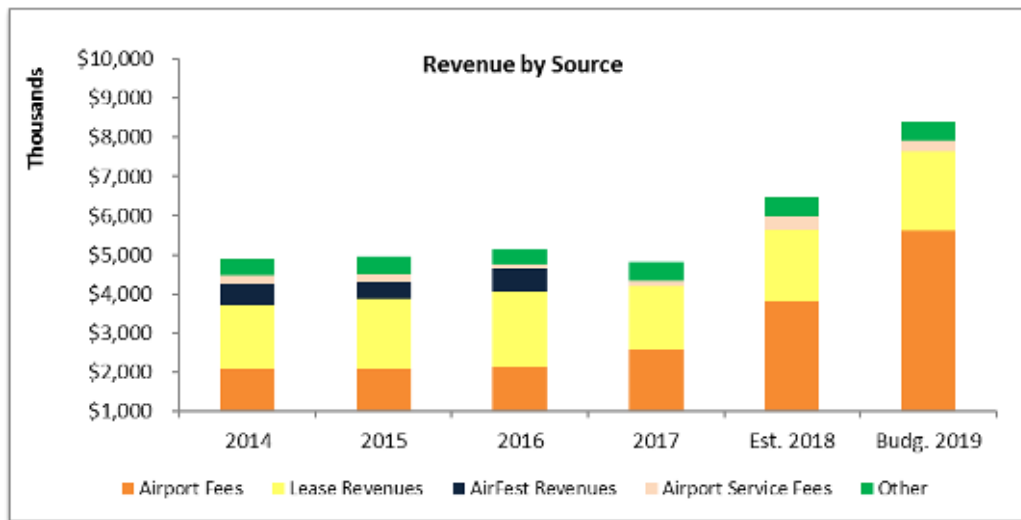
The airport services fee includes fees charged for services performed by our staff, which includes, badging, training, escorts, snow removal, deicing chemical application, international rubbish removal, fuel permitting and any other maintenance fees.

Shown below are the historical annual operating revenues. Revenues increased in FY2018 by 22.78%. The Authority has worked to diversify the revenue sources. Implementation of paid passenger parking has and increased cargo operations at the airport are two major factors of revenue increases. The FY2019 budget includes a 37.83% increase in budgeted operating revenue.



Revenues (continued)

RFD's goal is to increase the amount of fixed revenue over variable revenue as a high percentage of variable revenue could be financially catastrophic in an airport economic downturn. Lease revenue and other revenue (fixed revenue) will serve as a hedge in possible future economic downturns. As shown on the table below airport fees have increased over prior year results. This is a result of the efforts to bring in additional cargo operations.

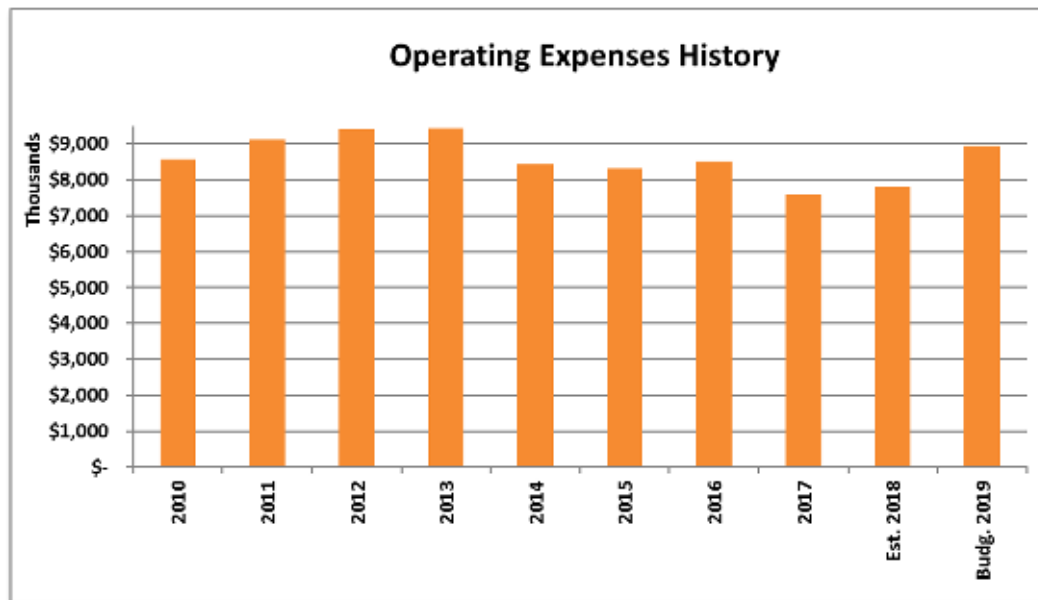


Non-operating revenues consist predominantly of the property tax levy, but also include replacement taxes and interest income collected on Authority deposits. Property taxes are levied to cover certain operating expenses. The total levy is approximately \$.1103 per \$100 of assessed valuation and the projected increase is the result of assessed valuations. Replacement taxes are projected to remain constant based on State of Illinois estimates. Airport Improvement Program (AIP) funds and passenger facility charges are considered non-operating revenues. Passenger facility charges project an increase based on enplanement growth for the next year.

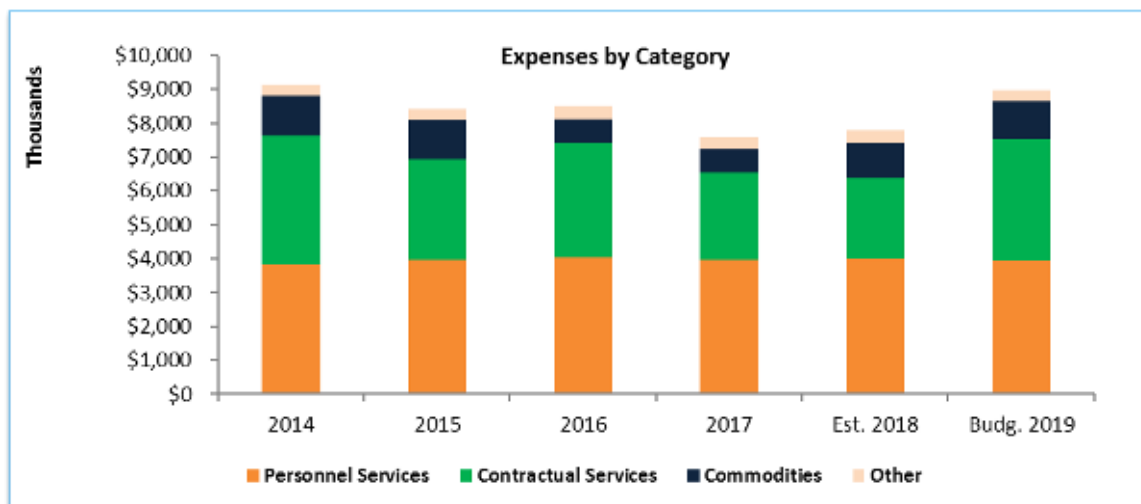
Expenditures

Expenditures are also categorized between operating and non-operating. Operating expenditures are those expenditures that are incurred as a result of the direct operation of the airport, and are further broken down by operating departments; Finance and Administration, Facilities and Maintenance, Operations, Marketing, Terminal Services, and Business Development. Non-operating expenditures include expenditures for debt service interest.

Following are the historical annual operating expenses. The modest increases planned for 2018 are due to general increases in personnel, contract, and commodity costs. The total increase in operating expenses for FY2019 is 15.13%.

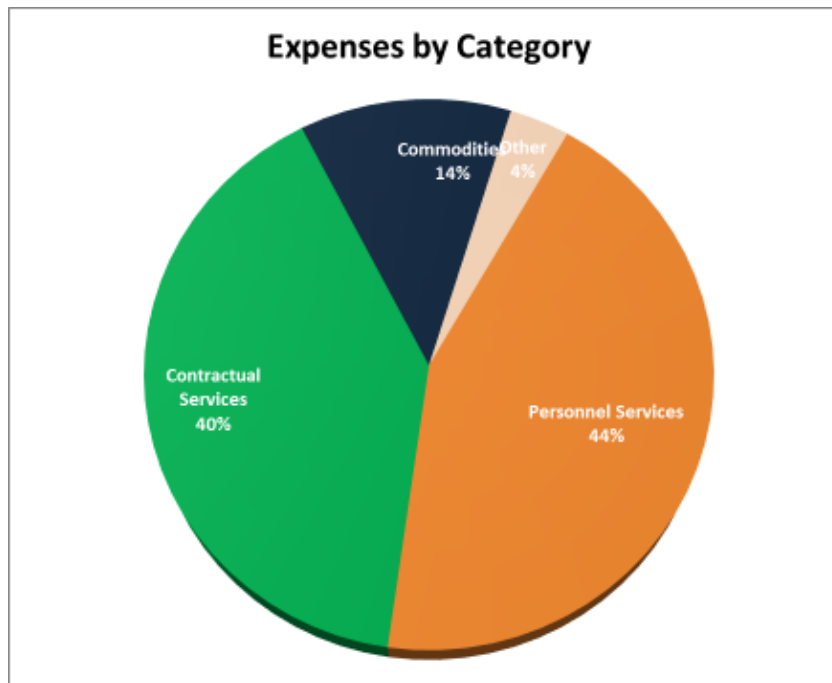


Operating expense allocation for the past five years is as follows:



Expenditures (continued)

Operating expenses are categorized into four areas, personnel service, contractual service, commodities, and other. Below is a chart showing the breakdown of costs by category.



Personnel Services accounts for 44% of operating expenses and is traditionally one of the largest costs for the Authority. The Authority views the employees as its most important asset and works to hire the best most highly qualified and motivated people.

Contractual services is 40% of the total operating expenses and includes all contracted services and utilities. Commodities make up only 14% of total expenses which is equal to the prior year. The Other category of 4% is for those costs not included in the other sections and include the glycol retention treatment facility, landfill and environmental costs.

Non-operating expenditures consist predominantly of interest expense for debt. There has been an increase from the prior year due to the issuance of bonds to fund the construction of the MRO facility and expansion of the terminal.

Debt Service

The primary objective of debt management is to keep the level of indebtedness within the available resources, and comply with the legal debt limitations as established by the Airport Authorities Act. The Authority's outstanding debt is \$23.5 million in revenue bonds. The Authority has pledged the Airport Improvement Program (AIP) Federal Grant money it expects to receive in the future as a government revenue source to repay the general obligation alternate revenue bonds issued December 2008. Proceeds from the bonds provided financing to implement certain improvements to the Airport through construction of the Northwest Air Cargo Apron and Access Taxiway.

Debt Service (continued)

During 2015 the Authority entered into a capital lease agreement for two high speed runway brooms for a total of \$1.2 million. The lease is for seven years with a \$1 buy at the end of the term.

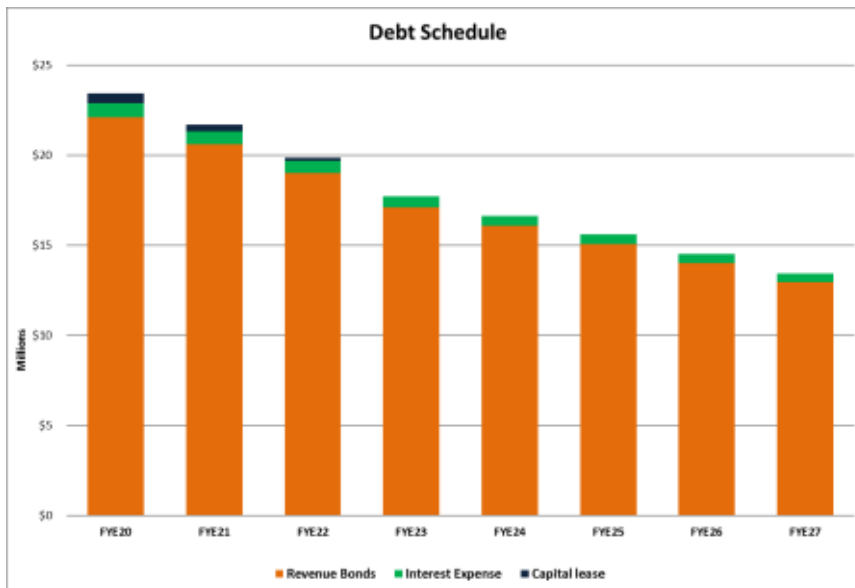
The authority issued a series of bonds totaling \$17 million in FY2016. Intergovernmental agreements with the City and County provide for payments of \$5,000,000 and \$8,000,000 throughout the term of the bonds plus interest from each agency, respectively.

The authority issued a series of bonds totaling \$4.75 million in FY2017 for certain improvements related to the terminal expansion project. The bonds are secured with future PFC revenue.

FY2019 bond debt repayment related to principal totals \$1,406,955. Interest payments will total \$798,551. Of this amount, \$912,084 will be received through intergovernmental contributions by the City and County based on the intergovernmental agreements related to the MRO bonds.

The Authority currently has a promissory note totaling \$16.6 million outstanding as a result of state funding delays on the MRO project. FY2019 budgeted principal and interest payments are \$1,154,757. It is anticipated the state will fund the project during FY2019 allowing the Authority to pay off the promissory note.

The Authority manages debt with the goal of only incurring debt where it economically has a benefit and the following table shows the history and future of the outstanding debt. The following schedule incorporates both principal and interest payments for the existing and planned debt uses for the year. As noted below there are no plans to acquire additional debt at this time.



The last rating for the Authority was in October 2003. Moody's upgraded the Authority bond rating to A1 from A2. The rating upgrade reflects the Authority eliminating bank loan debt, a moderate amount of rapidly retired bonded debt, resumption of a small amount of passenger service and the Authority's stable and consistently well-managed financial operations. The plan is to continue to maintain a balance sheet that will allow for favorable rating in the future when necessary to issue ratable debt.

Debt Service (continued)

The legal debt margins as of April 30, 2018 are summarized as follows which shows the Authority is within the legal debt margin.

	<i>Without Voter Approval</i>	<i>With Voter Approval</i>	<i>Total Debt Limitation</i>
Assessed valuation at April 30, 2017	\$ 2,680,627,963	\$ 2,680,627,963	\$ 2,680,627,963
Debt limit percentages	0.75%	2.30%	2.875%
	20,104,710	61,654,443	77,068,054
Total debt applicable to debt limit	-	23,505,559	23,505,559
Total	-	23,505,559	23,505,559
FYE18 Legal debt margins	\$ 20,104,710	\$ 38,148,884	\$ 53,562,495

Capital Improvement Program

The Capital Improvement Program (CIP) is a five to ten year program that provides for critical improvements and asset preservation. The program includes projects that address federal security requirements, airfield safety, enhanced revenue potential, rolling equipment replacement, and asset preservation.

Funding Sources

Funding sources for the projects and replacements include Airport Improvement Program (AIP) grants, Passenger Facility Charges (PFC), allocated reserve funds, the balance of the capital accounts, operating revenues and short term borrowings where appropriate. The current year budget does not include any short term borrowings. Each year the Authority updates the five year equipment program and the 10 year infrastructure program. The 10 year plan is updated in conjunction with the Transportation Improvement Plan and the Master Plan when updated.

Airport Improvement Program (AIP) grants are offered from the Federal Aviation Administration (FAA) to provide funding assistance for eligible capital projects that meet the criteria of the federal program. The Authority meets annually with the FAA and Illinois Department of Transportation to review the 10-year plan and discuss the upcoming year's projects as well as any changes or additions to the plan. This is done prior to the FAA giving approval of each fiscal year plan.

Title 49 of the United States Code (USC) authorizes the AIP program. The objectives of this federal program is to assist in development of a nationwide system of public use airports, to ensure the safe and secure operation of the airport and airway system, and to meet the projected needs of the public. The program is funded by aviation use fees, which are collected and deposited into the Airport and Airway Trust Fund that generates the revenues in support of the AIP. The US Congress authorizes expenditures from this dedicated fund on an annual basis each year. The AIP program includes entitlement and discretionary funding. Entitlement funds are awarded to eligible sponsors through a formula based on the number of passengers boarding and cargo aircraft tonnage. Discretionary funds are set aside to provide the FAA the flexibility to fund various high priority programs.

Capital Improvement Program (continued)

Passenger Facility Charges (PFC) were initially authorized through the Aviation Safety and Capacity Expansion Act of 1990. The Act allowed public agencies, which manage commercial airports to charge each enplaning passenger a facility charge in accordance with FAA requirements. The PFC is levied on the passenger tickets collected by the airlines, and forwarded to the airport (less a handling fee charged by the airlines). The revenues collected are to preserve or enhance safety, security, and capacity, to reduce noise or to enhance competition.

In October 1992, the Authority received approval from the Federal Aviation Administration (FAA) to impose a PFC of \$3.00 per enplaned passenger. In April of 2007 the FAA approved the Authority's request to increase the PFC level to \$4.50 on all remaining reimbursements. The new collection rate commenced on June 1, 2007. The total approved collectible amount is \$7,476,945 and the Authority has collected PFCs, including interest earned totaling \$7,128,354.

In 2016, the Authority received FAA approval to continue to impose a PFC until March 1, 2038. The total approved collectible amount is \$8,627,885. PFC collections for FY2018 and beyond are pledged to repay bond debt related to the terminal expansion project.

Current Capital Improvement Projects

Capital improvement projects currently in progress at the Airport include expansion of the RFD terminal building. RFD's current terminal building was constructed in 1987. It is currently at capacity during peak periods and in need of modernization. A four-phase expansion project began in FY2016 and will continue through FY2020. The cost of all four phases will be approximately \$24 million with \$18 million received through AIP funds. Upon completion, the terminal will offer expanded passenger areas, updated restrooms, increased TSA security lines, and improved baggage handling areas.

It is projected that FYE19 will include approximately \$7.5 million in AIP eligible projects for airport improvements. The AIP program typically provides funding for 90% to 95% of eligible project costs. The AIP program budget generally will include potential projects if discretionary funding becomes available. If the funding is not available during the year the project will carry forward to the next year. The current year budget includes the Authority's share of approximately \$912,000 of the \$7.5 million in projects. Projected FYE18 CIP capital expenditures are as follows and a specific list of the projects are outlined in the Capital Improvement section of the booklet.

Airside Projects	\$4,333,703
Terminal Projects	2,207,360
Maintenance Projects	980,000
Operations Projects	25,000
Total Capital Improvements	<u><u>\$7,546,063</u></u>

Net Assets

Following is a summary of changes in net assets. The information is presented on a GAAP full accrual basis. The summary of net assets does account for these items and cannot be tied to other balances in this document. Income or loss before capital contributions is the net income or loss from the statement of revenue and expenses. Capital contributions are from Federal, State and grant programs for non-cash transfer of assets. The budget includes the net operating expense and net non-operating revenue which will combine with the depreciation for the year to make up the balance of the projected income before Capital Contributions.

Summary of Changes in Net Position

	FYE14	FYE15	FYE16	FYE17	FYE18	BFYE19
Net Position, Beginning of Year	\$111,686,653	\$105,286,908	\$107,238,383	\$114,181,618	\$111,735,216	\$108,959,688
Income(loss) before Capital Contributions	(9,396,356)	(9,557,548)	(10,599,155)	(10,190,252)	(12,964,065)	(11,282,448)
Capital Contributions	2,996,611	11,509,023	17,542,389	7,743,851	10,188,537	6,881,728
Net Position, End of Year	<u>\$105,286,908</u>	<u>\$107,238,383</u>	<u>\$114,181,617</u>	<u>\$111,735,217</u>	<u>\$108,959,688</u>	<u>\$104,558,968</u>

Designated Assets

The Authority's intent is to become a self-supporting entity and, therefore, is accounted for as a proprietary fund. In a proprietary fund, the Authority accounts for its financial transactions similar to that of a private business enterprise. As a result the Authority has set up multiple bank accounts and investments for the four different types of sources and uses: operating, debt service, capital and trust funds for future expenditures. All expenses are paid with the appropriate resources. Since some capital expenditures have no funding source, other than those funded by FAA sources, it is necessary to transfer excess net operating proceeds from the Operating Account to these other accounts. This is generally done at year-end when the amount of excess funds is known. All excess funds earned in the current year will fund the Capital Fund for the next year.

Operating account. The operating account is unrestricted and predominantly all operating monies (operating revenue and operating tax levy) are received and expended from this account (operating fund). Included, but separately identified is an Operating Reserve of approximately \$482,000.

Debt service account. The debt service account is to support the principal and interest payments for the Alternate Revenue Bond which are then funded from this account.

Capital projects account. This fund pays for all capital improvements and capital programs unless accounted for specifically through a trust fund. Funding for this account is derived from Passenger Facility Charges (PFC), excess operating monies from the previous year and AIP funds reimbursement.

Trust fund account. Trust funds were established to fund future expenditures for the following purposes:

- ➔ Landfill closure fund,
- ➔ Glycol retention/treatment facility fund,
- ➔ Equipment replacement fund, and
- ➔ Building re-roof fund.

The landfill closure fund is estimated to be at approximately \$1,167,444. The balance appears reasonable based on the environmental engineers review. There will be no contributions to the fund during the year.

The glycol retention/treatment facility fund is for future repairs and upgrades to this facility. This facility purifies the wastewater that is collected from de-iced aircraft. The glycol treatment fund has a balance of \$1,445,439 and is funded by the interest earned. The maximum balance for this fund caps out at \$1.5 million.

The equipment sinking/replacement fund is for airport equipment purchases of larger equipment such as snow removal vehicles or fire trucks in the future. Presently, the fund balance is \$810,230. Typically this account is funded by the receipts of auctioned equipment, investment earnings and a budgeted sinking fund transfer. A building re-roof fund to fund an extensive re-roof of airport-owned buildings has a balance of \$201,864. This balance appears adequate to fund the re-roof in the future. The Authority views this as an effective way to manage large capital purchases.

A summary of the beginning balances, sources, uses, and ending balances for the segregated accounts are following.

	Operating Account	Debt Service Account	Capital Proj. Account	Trust Account	Total
Balance, 1 May 2018	\$ 2,445,000	\$ 982,325	\$ 480,000	\$ 3,624,700	\$ 7,532,025
Sources					
Operating revenue	8,416,742				8,416,742
Non-operating revenue	630,000				630,000
Tax levy-operating	2,954,052				2,954,052
Equipment trust funds					-
Debt issue					-
PFC			511,140		511,140
AIP fund reimbursement		10,000			10,000
Capital contributions			6,881,728		6,881,728
Intergovernmental contributions		912,084			912,084
Total Sources	12,000,794	922,084	7,392,868	-	20,315,746
Uses					
Operating expenses	8,961,231				8,961,231
Non-operating expenses		1,628,199			1,628,199
Debt service payments		2,127,035			2,127,035
Capital expenditures			7,546,063		7,546,063
Total Uses	8,961,231	3,755,234	7,546,063	-	20,262,529
Net Sources (Uses)	3,039,563	(2,833,150)	(153,195)	-	53,217
Balance before transfers	5,484,563	(1,850,825)	326,805	3,624,700	7,585,242
Transfers	(2,800,000)	2,800,000			-
Balance, 1 May 2019	\$ 2,684,563	\$ 949,175	\$ 326,805	\$ 3,624,700	\$ 7,585,242

Operating account balances include approximately \$482,000 of operating reserves in ending balance.

Acknowledgement

Without the leadership and the commitment of the Authority's management team and Board, the budget would not be as comprehensive of a document. The entire organization is acknowledged for their efforts in preparation of this document. The time and effort by all Deputy Directors, Managers and Support Staff is greatly appreciated. The end result of this process will be increased ownership for a dynamic and evolving document.

Sincerely,

A handwritten signature in cursive script that reads "Michelle Cassaro".

Michelle Cassaro
Chief Financial Officer

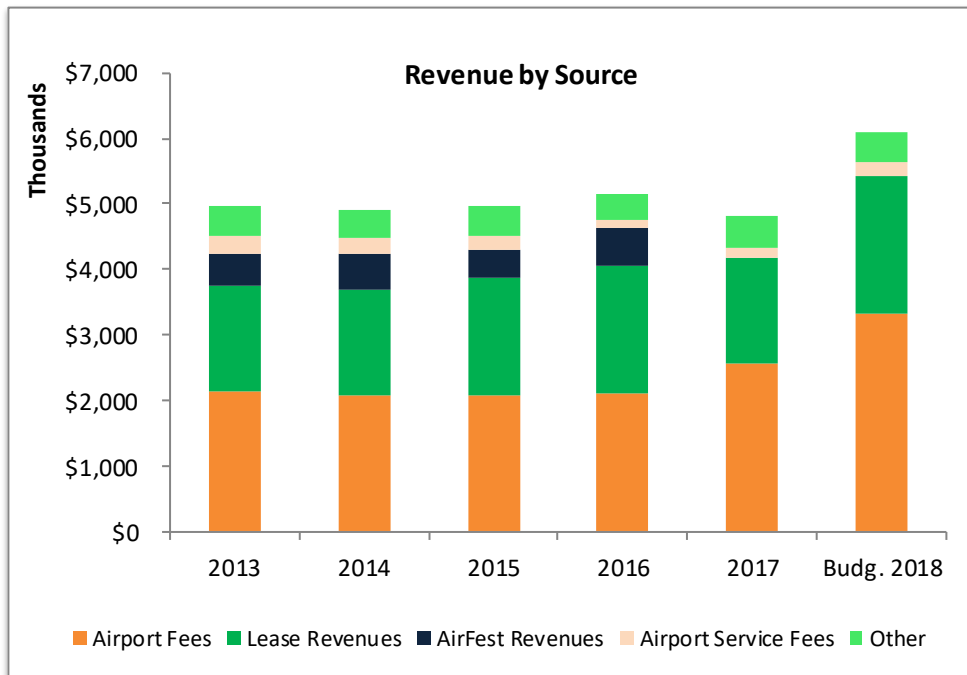
Budget Summary

The budget presented has many highlights discussed in subsequent sections. Operating revenue is budgeted at \$8,416,742 for FYE19. This is an increase from the prior year budget mainly related to the increased landing fee revenue. Operating expenses are budgeted at \$8,961,231 which is a 15.13% increase compared to the prior year budget.

	FYE17	BFYE18	Est. FYE18	BFYE19	BFYE18 vs BFYE19
Operating Revenue					
Airport fees-airside	\$ 2,377,449	\$ 3,152,426	\$ 3,176,001	\$ 4,409,038	
Airport fees-landside	194,450	210,000	630,800	1,203,067	
Lease revenue-on airport	1,033,201	1,474,542	1,218,718	1,462,608	
Lease revenue-off airport	587,237	600,030	619,162	576,511	
Airport service fees	126,659	191,850	330,950	270,975	
Other	500,477	477,688	504,595	494,544	
Total Operating Revenue	4,819,473	6,106,536	6,480,227	8,416,742	37.83%
Operating Expense					
Personnel services	(3,957,557)	(3,786,822)	(3,997,365)	(3,935,030)	
Contractual services	(2,570,490)	(2,589,409)	(2,381,692)	(3,598,119)	
Commodities	(692,246)	(1,053,523)	(1,037,175)	(1,111,303)	
Other	(377,856)	(353,640)	(383,914)	(316,780)	
Total Operating Expense	(7,598,149)	(7,783,394)	(7,800,145)	(8,961,231)	15.13%
Net Operating Expense	(2,778,676)	(1,676,858)	(1,319,919)	(544,489)	
Non-operating Revenue (Expense)					
Property tax levy-operating	2,763,791	2,894,611	2,863,368	2,954,052	
Replacement tax	621,501	610,000	610,000	590,000	
Interest income	14,532	3,000	20,942	15,000	
ALP reimbursement funds	5,401,329	100,000	-	10,000	
Passenger facility charges	497,802	510,469	510,000	511,140	
Gain/(Loss) on disposal of assets	30,597	25,000	6,100	25,000	
Current capital contributions	2,342,522	11,900,000	11,900,000	6,881,728	
Intergovernmental contributions	759,725	-	450,000	912,084	
Interest expense	(974,449)	(976,881)	(1,200,000)	(1,628,199)	
Total Non-operating Revenue (Expense)	11,457,350	15,066,199	15,160,410	10,270,805	-31.83%
11,446,384					
Debt Service, Sinking Fund Deposits & Other Uses					
Debt service principal payments	(567,000)	(790,678)	(800,000)	(2,127,035)	
Debt Service	4,750,000	-	-	-	
Total Debt Service and Sinking Fund Deposits	4,183,000	(790,678)	(800,000)	(2,127,035)	
Net before Capital	12,861,674	12,598,663	13,040,491	7,599,280	
Capital Improvement Program					
Airside projects	(1,538,223)	(6,861,111)	(6,860,000)	(4,333,703)	
Landside projects	-	-	-	-	
Terminal projects	(6,930,671)	(4,889,330)	(4,880,000)	(2,207,360)	
Administration projects	(130,000)	-	-	-	
Maintenance projects	(81,460)	(732,500)	(730,000)	(980,000)	
Operations projects	(15,000)	(9,000)	(9,000)	(25,000)	
Total Capital Improvements	(8,695,354)	(12,491,941)	(12,479,000)	(7,546,063)	
Excess Funds	\$ 4,166,320	\$ 106,722	\$ 561,491	\$ 53,217	

Operating Revenue Summary

Revenue sources are grouped into five distinct categories: airport fees, lease revenues, airport service fees, AirFest revenues and other and is further broken down within each category. This breakdown allows a comparison of variable revenues (AirFest revenue and airport fees) vs. fixed revenues (lease revenue).



Airport fees – airside, \$4,409,038. Airport fees – airside revenue is comprised of landing fees, ramp fees, and fuel flowage fees. These fees are generated on the runways, taxiways, aprons, and in areas of the terminal. They are variable in nature and dependent upon an aircraft landed weight, number of aircraft seats or gallons of fuel pumped. Fuel flowage fees were calculated using the prior year estimated fueling and economic indicators. Most fuel flowage is from the general aviation and small commercial operations and has budgeted similar activity as the prior year.

Landing fees for cargo are projected based on two billion pounds, which is a large increase over last year's estimates. Cargo operations have increased significantly resulting in an increase of over 44% for cargo landing fees budgeted for FY2019.

Ramp fees are related to usage by airlines from the jetway to the terminal. The Authority has a common use terminal. All users pay one fee for use of jetway, baggage claims, and counter space. All gates and counter space in the terminal are common use.

Airport fees – landside, \$1,203,067. The revenue in this category includes rental car commissions. As in the previous category, these revenues are also variable in nature. Revenues are expected to increase significantly in FY2019 due to the implementation of paid passenger parking.

Operating Revenue Summary (continued)

Lease revenue – on airport, \$1,462,608. Lease revenue is fixed over time and includes building, terminal, concessions/counters/office and land. These sources of revenue are not dependent upon an independent variable (except for time), and are recurring from year-to-year, with the exception of rental increases. Because of their nature, these revenues are easily and more accurately budgeted than variable revenues. The revenues in this category are all on the airport or within the perimeter fence. Lease revenues in both areas are projected to remain consistent with FY2018 budget amounts.

Lease revenue – off airport, \$576,511. Sources of revenue include building and land leases. These sources are also fixed and do not vary much over time and are outside the perimeter fence and are largely considered an industrial park. Lease revenue–off airport is planned to decrease from the FY2018 budget based on vacancies.

AirFest revenue, \$0. AirFest revenues are all the dollars associated with the annual airshow. Due to scheduling conflicts, AirFest has been indefinitely suspended and no revenue is expected this fiscal year.

Airport service fees, \$270,975. Airport service fees include badging, training, escorting, snow removal, international rubbish removal, deicing chemical application and any other services provided. The amount budgeted is based on estimated activity levels for badging and international rubbish. The snow and deicing fees are based on our regional averages. The budget has increased for FY2019 due to additional badging fees for new airport tenants.

Other – \$494,544. Other revenue sources include commercial operating agreement fees, quarry fees, foreign trade zone fees, and other miscellaneous income. Most of these revenues are incidental to the operation. A slight increase in the budget is related to an increase in commercial operating agreements.

Operating Revenue Budget Justifications

AIRPORT FEES-AIRSIDE

4120 Fuel flowage fees	\$ 47,000
4140 Landing fees - cargo	\$ 3,991,051
4141 Landing fees - passenger	\$ 238,515
4142 Landings - terminal fees	\$ 78,472
4143 Landings - MRO	\$ 22,000
4144 Aircraft parking fees	\$ 32,000

AIRPORT FEES-LANDSIDE

4250 Parking revenue	
Revenue generated from passenger car parking lots	\$ 993,067
4270 Rental car commissions	
Budgeted automobile rental commissions are calculated on average monthly rental commission.	\$ 210,000

LEASE REVENUE-ON AIRPORT

4330 Building lease-on airport	
Buildings and hangars owned by the Authority and located within the airport perimeter fence line are considered on airport (airside) building leases.	
T-hangars, 7 @ \$242/mo.	20,328
T-hangars, 9 @ \$245/mo.	26,460
T-hangars, 1 @ \$246/mo.	2,952
T-hangars, 1 @ \$275/mo.	3,300
T-hangars, 1 @ \$260/mo.	3,120
T-hangars, 3 @ \$281/mo.	10,116
T-hangars, 1 @ \$302/mo.	3,624
T-hangars, 4 @ \$311/mo.	14,928
T-hangars, 2 @ \$325/mo.	7,800
T-hangars, 1 @ \$392/mo.	4,704
T-hangars, 2 @ \$401/mo.	9,624
T-hangars, 2 @ \$473/mo.	11,352
Plot #A-9, Alpine Aviation	11,813
Plot #A-12, Emery Air Charter	96,853
Plot #A-14, OSF Aviation (40 Airport Dr)	54,990
Plot #A-15, Heritage Aero	47,442
Plot #A-18, Grumman Drive Hangar - Code One	60,936
Plot #A-21, Hot Shot Express	31,926
AAR	-
International Cargo Facility - LGSTX	518,964
International Cargo Facility - Pinnacle	3,168
International Cargo Facility - ABX	5,364
Temporary Leases	5,000
Total building lease-on airport	\$ 954,763

Operating Revenue Budget Justifications

4360 Land lease-on airport

A lease is considered a land lease if the land is leased and the lessee has added an improvement (building).

Plot #A-1, Aircraft Systems Inc.	11,620
Plot #A-2, Kaney Aviation	25,023
Plot #A-3, Courtesy Aircraft, Inc.	21,571
Plot #A-4, Avionics Place	26,900
Plot #A-8, Emery Air Charter	61,752
Plot #A-11, First Franklin Investment	12,139
Plot #A-19, HSI Investments, LLC (Pride)	15,262
Plot #A-23, Emery Air Charter	95,342
Plot #A-23A, Emery Air Charter	20,305
Plot #A-XX, Rock Valley College	11,308
Plot #A-27, Superior Plane Aircraft	8,537
Plot #A-28, HSI Investments, LLC (Pride)	19,860
Plot #A-29, Kaney Aviation	20,763
Plot #A-32, Emery Fuel Farm	15,604
LGSTX	33,362
Airmen, Inc. - Bldg D	2,810
Airmen, Inc. - Bldg E	3,219
Airmen, Inc. - Bldg F	4,023
Total land lease-on airport	<u>\$ 409,399</u>

4380 Terminal lease-concession/counter/offices

Automobile rental-Avis	8,248
Automobile rental-Hertz	8,239
Automobile rental-National	8,843
Airline Office Space - Allegiant	7,748
Café/Bar	23,179
General Serv.Adm. (FAA/TSA)	42,189
Total terminal lease	<u>\$ 98,446</u>

LEASE REVENUE-OFF AIRPORT

4430 Building lease-off airport

Buildings owned by the Authority and located outside the fence line are considered off airport (landside) building leases.

Prof Building - UPS Employment	20,709
Ops Bldg - FAA	4,700
Plot #I-30 Konstruction Services	26,457
Plot #I-15 - CMT	43,672
Kennamental	1,200
Seward Screw	4,598
Alpha Wrestling - I29	4,447
Metro Enforcement	14,400
Carwash Bay- Avis	4,800
Carwash Bay - Enterprise	5,068
Carwash Bay - Hertz	4,800
Total building lease-off airport	<u>\$ 134,851</u>

Operating Revenue Budget Justifications

4460 Land lease-off airport

A lease is considered a land lease if the land is leased and the lessee has added an improvement (building).

Farm, 569 acres at \$150 per acre	77,655
Solar Farm	8,106
Plot #I-3 ACF Properties (Triplett)	6,600
Plot #I-4 Mechanical Tool & Engineering	7,329
Plot #I-7 Slidematic	4,630
Plot #I-9 Rock Road Company	117,671
Plot #I-10 Kennametal, Inc.	3,241
Plot #I-11 Fitzgerald Equipment Company	16,541
Plot #I-12 Parkside Warehouse	15,386
Plot #I-12A Parkside Warehouse	11,054
Plot #I-14 Clinkenbeard	8,657
Plot #I-16 Airport Pet Lodge	463
Plot #I-18 Freeway Rockford	8,798
Plot #I-19 Parkside Warehouse	21,069
Plot #I-21 Mechanical Tool	3,411
Plot #I-22 Willett, Hofmann & Associates	11,133
Plot #I-25 Helm Group (Mechanical)	16,350
Plot #I-25A Helm Group (Mechanical)	25,072
Plot #I-26 JS Cad Scan Technologies	6,224
Plot #I-27 YMA Inc dba Airport Shell	12,476
Plot #I-28 Comet Fabrication	6,173
Plot #I-28B Comet Fabrication	9,659
Plot #I-28C Comet Fabrication	7,074
Plot #I-33 Northwest Pallet	24,561
Plot #RM-2, Sjostrom & Sons	12,327
Total land lease-off airport	<u>\$ 441,660</u>

AIRPORT SERVICE FEES

4950 Fuel permits

Fuel permits are based upon fuel dispensing criteria.

Emery Air Charter	1,125
North American Pride	1,125
Courtesy Aircraft	375
Kaney Aviation	375
Code One	600
UPS	375
Total fuel permits	<u>\$ 3,975</u>

4970 Snow removal/maintenance fee

Charges to airport tenants for contracted snow removal and maint. services.

\$ 5,000

4971 International rubbish disposal fee

Fees related to the disposal of international rubbish from flights.

\$ 32,000

4972 Deicing chemical application fee

Fees for labor, equipment and material related to deicing of tenant requested areas.

\$ 120,000

4975 Other airfield service fees

Fees for other services such as badging, training, finger printing and escorting.

\$ 110,000

Operating Revenue Budget Justifications

OTHER

4930 Commercial operating agreements

Budgeted Commercial Operating Agreements are based upon the actual square footage of the building footprint for tenants inside the fence @\$.28/sq.ft./yr. Non-tenants doing business inside the fence pay a fee of \$250.

HSI Investments, LLC, A19, A28	28,530 sq.ft.	7,988
Aircraft Systems, A1	8,064 sq.ft.	2,258
Avionics Place, A4	7,300 sq.ft.	2,044
Courtesy Aircraft, A3	10,682 sq.ft.	2,991
Emery Air Charter, A8, A12, A23	134,023 sq.ft.	37,526
Groom, Norm, T/H B6	1,449 sq.ft.	406
Code One, A18	23,463 sq.ft.	6,570
Alpine Aviation, A9	2,480 sq.ft.	694
Heritage Aero, A15	12,000 sq.ft.	3,360
Superior Plane Aircraft Coating, A27	3,000 sq. ft.	840
LGSTX, A34	72,684 sq. ft.	20,352
Pinnacle, A34B	224 sq. ft.	63
ABX, A34C	720 sq ft.	202
Non-tenant commerical operators		250
Total commercial operating agreements		<u>\$ 85,544</u>

4940 Foreign trade zone fees

Active sites	83,000
Inactive sites	-
Service fees	5,000
Total foreign trade zone fees	<u>\$ 88,000</u>

4960 Quarry fees

Royalties- Rockford Sand & Gravel	<u>\$ 90,000</u>
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4980 Stormwater fees

Budgeted storm water fees.	
United Parcel Service (\$12,500 x 12)	<u>\$ 150,000</u>

4990 Miscellaneous

Scrap iron	1,000
Tough Mudder	70,000
Other	10,000
Total miscellaneous	<u>\$ 81,000</u>

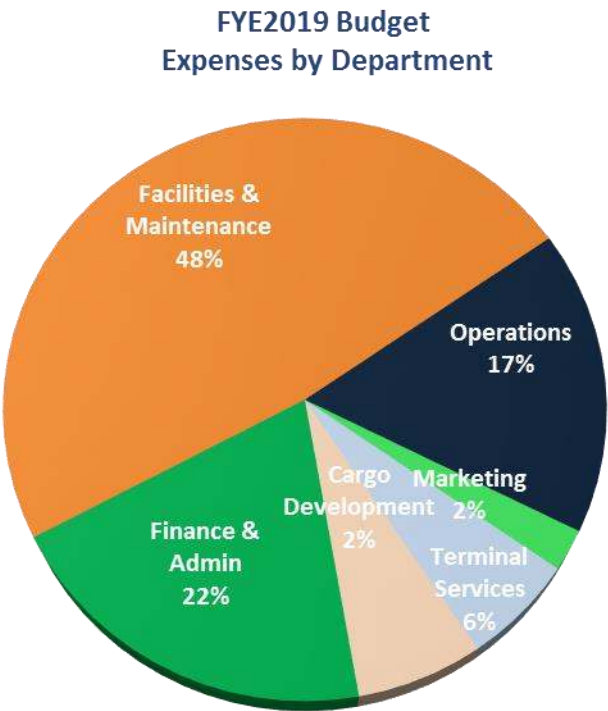
Operating Revenues Budget

CODE/LINE ITEM	ACTUAL FYE14	ACTUAL FYE15	ACTUAL FYE16	ACTUAL FYE17	BUDGET FYE18	ESTIMATE FYE18	BUDGET FYE19
AIRPORT FEES-AIRSIDE							
4120 Fuel flowage fees	\$ 39,680	\$ 50,088	\$ 43,988	\$ 36,170	\$ 45,000	\$ 39,748	\$ 47,000
4140 Landing fees - cargo	1,508,489	1,527,519	1,562,184	1,994,999	2,760,805	2,766,476	3,991,051
4141 Landing fees - non cargo	213,353	241,620	235,590	255,032	238,244	246,071	238,515
4142 Landings - terminal fees	85,225	73,541	75,044	81,347	78,377	76,706	78,472
4143 Landings - MRO	-	-	-	9,901	-	12,000	22,000
4144 Aircraft parking fees	28,018	26,914	26,383	44,738	30,000	35,000	32,000
TOTAL FEES-AIRSIDE	1,874,764	1,919,682	1,943,188	2,422,187	3,152,426	3,176,001	4,409,038
AIRPORT FEES-LANDSIDE							
4250 Parking revenue	-	-	-	-	-	361,006	993,067
4270 Rental car commissions	188,114	186,400	204,732	194,450	210,000	234,794	210,000
TOTAL FEES-LANDSIDE	188,114	186,400	204,732	194,450	210,000	630,800	1,203,067
LEASE REVENUE-ON AIRPORT							
4330 Building	774,906	759,077	850,454	543,599	1,036,010	775,450	954,763
4360 Land	346,605	321,736	365,012	373,220	370,799	374,976	409,399
4380 Terminal concession/counter/offices	66,320	57,146	66,636	71,644	67,733	68,292	98,446
TOTAL LEASE-ON AIRPORT	1,187,831	1,137,958	1,282,103	988,463	1,474,542	1,218,718	1,462,608
LEASE REVENUE-OFF AIRPORT							
4430 Building	155,374	163,704	168,440	132,470	129,091	113,864	134,851
4460 Land	406,621	456,668	459,623	454,767	470,939	505,298	441,660
TOTAL LEASE-OFF AIRPORT	561,995	620,372	628,063	587,237	600,030	619,162	576,511
AIRFEST REVENUE							
4915 Air Show- Concessions	-	89,837	89,663	-	-	-	-
4916 Air Show - Sponsors	-	150,340	245,200	-	-	-	-
4917 Air Show - Special Promotions	-	59,971	72,815	-	-	-	-
4918 Air Show - Marketing	-	2,160	3,108	-	-	-	-
4919 Air Show - Show Tickets	-	146,679	171,010	-	-	-	-
TOTAL AIRFEST REVENUE	-	448,987	581,796	-	-	-	-
AIRPORT SERVICE FEES							
4950 Fuel permits	3,375	3,750	3,375	3,725	2,850	3,975	3,975
4970 Snow removal/maintenance fees	2,891	6,389	375	525	5,000	3,000	5,000
4971 International rubbish disposal fee	27,485	32,750	30,445	40,568	34,000	34,000	32,000
4972 Deicing chemical application fee	187,592	123,719	43,622	26,123	110,000	160,000	120,000
4975 Other airfield service fees	15,946	20,005	26,675	55,719	40,000	126,000	110,000
TOTAL AIRPORT SERVICE FEES	237,289	186,612	104,492	126,659	191,850	330,950	270,975
OTHER							
4930 Commercial operating agreement	68,805	67,999	63,325	69,479	73,888	79,595	85,544
4940 Foreign trade zone fees	100,932	95,212	60,000	95,000	88,000	95,000	88,000
4960 Quarry fees	90,000	122,461	91,980	90,000	90,000	90,000	90,000
4980 Stormwater fees	150,000	150,000	150,000	150,000	150,000	150,000	150,000
4990 Miscellaneous	23,100	23,274	29,176	95,998	75,800	90,000	81,000
TOTAL OTHER	432,837	458,946	394,481	500,477	477,688	504,595	494,544
TOTAL OPERATING REVENUE	\$ 4,482,830	\$ 4,958,957	\$ 5,138,854	\$ 4,819,473	\$ 6,106,536	\$ 6,480,227	\$ 8,416,742

Operating Expenses Summary

The Authority was broken down into seven departments with respective Directors or Managers responsible for each independent budget. You will have the opportunity to better understand the goals and objectives of the organization and how the various expenses align with our strategic plan. The seven departments included Administration and Finance, Facilities and Maintenance, Operations, Marketing, Terminal, AirFest, and Business Development. In FY2019, there are no expenditures for AirFest. It has been indefinitely canceled.

As the charts below show a majority of the costs are related to directly operating the airport and maintaining all the infrastructure and buildings.



Each departmental budget is presented in the subsequent sections. This includes a summary of the department, goals for the coming year, the budget, and justifications. Each department is directly related to all revenue sources. Without the staff in each of these departments working together the revenue sources would not continue to evolve and strengthen.

The following pages are a combined report by department comparing to the prior year’s budget. The report allows for a better understanding of how certain costs are allocated.

Operating Expenses Combined Departmental Budget

CODE/LINE ITEM, All Departments	Dept 04 Fin/Admin	Dept 05 Fac/Maint	Dept 06 Ops	Dept 07 Marketing	Dept 08 Terminal
PERSONNEL SERVICES					
5400 Insurance	81,649	\$ 270,687	\$ 130,559	\$ -	\$ -
5401 Insurance-retirees	54,763	-	-	-	-
5450 Overtime	-	86,025	19,275	-	-
5451 Double time	-	49,606	15,211	-	-
5500 Payroll taxes	57,036	105,189	34,036	-	-
5560 Pension contribution	77,934	118,666	38,200	-	-
5600 Salaries/wages	782,541	1,161,386	416,110	-	-
5610 Pager pay	-	7,800	-	-	-
5700 Tool allowance	-	1,800	-	-	-
5750 Training	6,160	6,550	23,000	-	-
5800 Workers compensation insurance	1,174	69,396	18,156	-	-
5900 Uniforms	-	4,731	3,912	-	-
5901 Uniforms-lost,damaged,replaced	-	500	300	-	-
5903 Uniforms-protective clothing	-	6,400	2,125	-	-
TOTAL PERSONNEL SERVICES	1,061,257	1,888,736	700,884	-	-
CONTRACTUAL SERVICES					
6021 Ad-Television	-	-	-	20,000	-
6022 Ad-Radio	-	-	-	50,000	-
6025 Ad-Promotions	-	-	-	10,000	-
6026 Ad-Print	-	-	-	8,000	-
6027 Ad-Internet/web	-	-	-	33,000	-
6050 Audit	37,215	-	-	-	-
6040 Airfield repair	-	36,000	-	-	-
6100 Building repair	-	27,000	-	-	20,000
6110 Building repair - MRO	-	76,850	-	-	-
6121 Miles Ahead	-	-	-	5,000	-
6140 Conferences & meetings	8,500	-	7,500	-	-
6150 Revenue guarantee	-	-	-	-	-
6160 Consulting services	133,820	-	-	67,500	-
6161 ARFF contractual services	-	-	646,333	-	-
6162 ARFF training	-	-	-	-	-
6163 LEO contractual services	-	-	30,000	-	-
6201 Energy-electric	25,000	128,000	-	-	110,000
6202 Energy-natural gas	10,000	36,500	-	-	20,650
6300 Engineering services	50,000	-	-	-	-
6321 Equip maint-repairs/services	-	9,500	-	-	20,450
6322 Equip maint-service contracts	47,815	93,717	44,232	-	208,353
6350 Equipment rental	5,530	119,900	4,000	-	12,900
6400 Insurance	211,253	-	-	-	-
6402 Insurance deductible	5,000	-	-	-	-
6410 Landscaping	-	1,200	-	-	1,500
6440 Legal notices	4,600	-	-	-	-
6451 Legal services-general	55,000	-	-	-	-
6452 Legal services-personnel	4,000	-	-	-	-
6453 Legal services-other	1,500	-	-	-	-
6480 Licenses,titles & inspections	35,000	2,471	-	-	6,100
6510 Medical exams	300	1,150	500	-	300
6540 Membership dues	13,425	150	2,380	-	-
6600 Other	1,500	1,000	-	-	500
6630 Parking - Management Fee	-	90,000	-	-	-
6635 Parking - Operations and Maint	-	450,000	-	-	-
6640 Payment services	5,500	-	-	-	-
6670 Permits & testing	-	3,750	-	-	-
6700 Postage	2,800	-	-	-	-
6730 Printing	950	-	-	8,000	-
6751 Telephone-cellular	1,337	15,000	4,500	-	480
6752 Telephone	19,693	16,509	3,622	-	19,517
6800 Travel & transportation	23,470	7,600	11,600	-	-
6800 Customer care/customer service	-	-	-	-	2,000
6850 Utilities	1,500	12,900	-	-	10,980
6900 Vehicle maintenance	-	23,500	-	-	-
6950 Waste removal	-	7,700	-	-	54,450
TOTAL CONTRACTUAL SERVICES	704,709	1,160,397	754,668	201,500	488,180

Operating Expenses Combined Departmental Budget

CODE/LINE ITEM, All Departments	Dept 10 Bus Dev	BUDGET FYE19	BUDGET FYE18	\$ Change	% Change
PERSONNEL SERVICES					
5400 Insurance	\$ 42,223	\$ 525,119	\$ 452,849	\$ 72,269	15.96%
5401 Insurance-retirees	-	54,763	61,282	(6,519)	(10.64%)
5450 Overtime	-	105,300	114,520	(9,220)	(8.05%)
5451 Double time	-	64,817	44,396	20,421	46.00%
5500 Payroll taxes	16,499	212,759	207,335	5,424	2.62%
5560 Pension contribution	19,532	254,333	232,459	21,874	9.41%
5600 Salaries/wages	205,604	2,565,642	2,550,975	14,667	0.57%
5610 Pager pay	-	7,800	7,800	-	0.00%
5700 Tool allowance	-	1,800	1,800	-	0.00%
5750 Training	-	35,710	9,800	25,910	264.39%
5800 Workers compensation insurance	294	89,020	92,410	(3,390)	(3.67%)
5900 Uniforms	-	8,643	6,560	2,083	31.75%
5901 Uniforms-lost,damaged,replaced	-	800	800	-	0.00%
5903 Uniforms-protective clothing	-	8,525	8,800	(275)	(3.13%)
TOTAL PERSONNEL SERVICES	284,153	3,935,030	3,791,786	143,244	3.78%
CONTRACTUAL SERVICES					
6021 Ad-Television	-	20,000	20,000	-	0.00%
6022 Ad-Radio	-	50,000	50,000	-	0.00%
6025 Ad-Promotions	-	10,000	10,000	-	0.00%
6026 Ad-Print	-	8,000	8,000	-	0.00%
6027 Ad-Internet/web	-	33,000	33,000	-	100.00%
6050 Audit	-	37,215	32,715	4,500	0.00%
6040 Airfield repair	-	36,000	42,000	(6,000)	(14.29%)
6100 Building repair	-	47,000	67,000	(20,000)	(29.85%)
6110 Building repair - MRO	-	76,850	-	76,850	0.00%
6121 Miles Ahead	-	5,000	-	5,000	0.00%
6140 Conferences & meetings	16,645	32,645	24,920	7,725	31.00%
6150 Revenue guarantee	150,000	150,000	110,000	40,000	36.36%
6160 Consulting services	91,500	292,820	212,992	79,828	37.48%
6161 ARFF contractual services	-	646,333	627,614	18,719	2.98%
6162 ARFF training	-	-	-	-	#DIV/0!
6163 LEO contractual services	-	30,000	30,000	-	100.00%
6201 Energy-electric	-	263,000	268,000	(5,000)	(1.87%)
6202 Energy-natural gas	-	67,150	71,150	(4,000)	(5.62%)
6300 Engineering services	-	50,000	45,000	5,000	11.11%
6321 Equip maint-repairs/services	-	29,950	31,365	(1,415)	(4.51%)
6322 Equip maint-service contracts	-	394,117	245,765	148,352	60.36%
6350 Equipment rental	-	142,330	51,545	90,785	176.13%
6400 Insurance	-	211,253	224,037	(12,784)	(5.71%)
6402 Insurance deductible	-	5,000	5,000	-	0.00%
6410 Landscaping	-	2,700	2,700	-	0.00%
6440 Legal notices	-	4,600	2,900	1,700	58.62%
6451 Legal services-general	-	55,000	50,000	5,000	10.00%
6452 Legal services-personnel	-	4,000	2,000	2,000	100.00%
6453 Legal services-other	-	1,500	1,000	500	50.00%
6480 Licenses,titles & inspections	-	43,571	22,321	21,250	95.20%
6510 Medical exams	-	2,250	2,750	(500)	(18.18%)
6540 Membership dues	3,650	19,605	40,244	(20,639)	(51.28%)
6600 Other	-	3,000	4,500	(1,500)	(33.33%)
6630 Parking - Management Fee	-	90,000	-	-	0.00%
6635 Parking - Operations and Maint	-	450,000	-	-	0.00%
6640 Payment services	-	5,500	5,500	-	0.00%
6670 Permits & testing	-	3,750	1,400	2,350	167.86%
6700 Postage	-	2,800	3,300	(500)	(15.15%)
6730 Printing	-	8,950	8,950	-	0.00%
6751 Telephone-cellular	1,500	22,817	14,760	8,057	54.59%
6752 Telephone	600	59,942	56,150	3,792	6.75%
6800 Travel & transportation	24,770	67,440	55,505	11,935	21.50%
6800 Customer care/customer service	-	2,000	2,000	-	0.00%
6850 Utilities	-	25,380	25,300	80	0.32%
6900 Vehicle maintenance	-	23,500	19,200	4,300	22.40%
6950 Waste removal	-	62,150	58,826	3,324	5.65%
TOTAL CONTRACTUAL SERVICES	288,665	3,598,119	2,589,409	1,008,709	38.96%

Operating Expenses Combined Departmental Budget

CODE/LINE ITEM, All Departments	Dept 04 Fin/Admin	Dept 05 Fac/Maint	Dept 06 Ops	Dept 07 Marketing	Dept 08 Terminal
COMMODITIES					
7100 Building repair	-	35,000	-	-	15,000
7140 Conferences & meetings	8,100	6,600	4,000	-	1,400
7200 Equipment	10,000	11,250	13,500	-	5,500
7240 Fence/gate	-	2,500	-	-	-
7271 Fuel-diesel	-	62,000	-	-	-
7272 Fuel-unleaded	-	34,000	-	-	-
7273 Fuel-other	-	1,500	-	-	-
7300 Landscaping	-	5,900	-	-	-
7380 Other	1,000	1,000	-	-	1,000
7400 Pavement marking	-	79,500	-	-	-
7440 Pavement repair	-	38,000	-	-	-
7500 Raw materials	-	5,200	-	-	-
7501 Raw materials-deicing only	-	391,750	-	-	-
7540 Signage	-	12,500	-	-	4,000
7580 Software	-	3,000	-	-	-
7600 Subscriptions	3,200	3,535	14,050	-	2,838
7660 Supplies-janitorial	-	2,500	-	-	15,500
7690 Supplies-lighting(airfield)	-	93,000	-	-	-
7720 Supplies-mechanical (airfield)	-	46,000	-	-	-
7750 Supplies-office	10,280	600	1,500	-	400
7780 Supplies-other	-	5,000	5,000	-	1,500
7782 Supplies-hardware	-	7,000	-	-	-
7784 Supplies-other	-	-	-	-	-
7796 Supplies-promotional	-	-	-	5,000	-
7810 Supplies-specialty	-	-	21,000	-	-
7830 Supplies-steel stock	-	3,800	-	-	-
7850 Supplies-storm sewer/drain	-	2,300	-	-	-
7880 Supplies-welding	-	4,500	-	-	-
7901 Maint-licensed vehicles	-	12,350	-	-	-
7902 Maint-equipment	-	78,000	-	-	-
TOTAL COMMODITIES	32,580	948,285	59,050	5,000	47,138
OTHER					
8400 Glycol retention treatment facility	-	97,440	-	-	-
8410 Landfill environmental costs	-	156,340	-	-	-
8415 Property Taxes	-	63,000	-	-	-
TOTAL OTHER	-	316,780	-	-	-
FISCAL YEAR TOTALS	\$ 1,798,546	\$ 4,314,198	\$ 1,514,602	\$ 206,500	\$ 535,318

Operating Expenses Combined Departmental Budget

CODE/LINE ITEM, All Departments	Dept 10 Bus Dev	BUDGET FYE19	BUDGET FYE18	\$ Change	% Change
COMMODITIES					
7100 Building repair	-	50,000	46,850	3,150	6.72%
7140 Conferences & meetings	13,000	33,100	29,800	3,300	11.07%
7200 Equipment	1,900	42,150	37,500	4,650	12.40%
7240 Fence/gate	-	2,500	2,500	-	0.00%
7271 Fuel-diesel	-	62,000	62,000	-	0.00%
7272 Fuel-unleaded	-	34,000	34,000	-	0.00%
7273 Fuel-other	-	1,500	1,500	-	0.00%
7300 Landscaping	-	5,900	5,900	-	0.00%
7380 Other	-	3,000	3,000	-	0.00%
7400 Pavement marking	-	79,500	69,940	9,560	13.67%
7440 Pavement repair	-	38,000	29,000	9,000	31.03%
7500 Raw materials	-	5,200	5,200	-	0.00%
7501 Raw materials-deicing only	-	391,750	376,500	15,250	4.05%
7540 Signage	-	16,500	8,500	8,000	94.12%
7580 Software	-	3,000	33,895	(30,895)	(91.15%)
7600 Subscriptions	4,350	27,973	25,788	2,185	8.47%
7660 Supplies-janitorial	-	18,000	13,500	4,500	33.33%
7690 Supplies-lighting(airfield)	-	93,000	73,000	20,000	27.40%
7720 Supplies-mechanical (airfield)	-	46,000	51,000	(5,000)	(9.80%)
7750 Supplies-office	-	12,780	8,300	4,480	53.98%
7780 Supplies-other	-	11,500	7,000	4,500	64.29%
7782 Supplies-hardware	-	7,000	7,000	-	0.00%
7784 Supplies-other	-	-	-	-	-
7796 Supplies-promotional	-	5,000	10,000	(5,000)	(50.00%)
7810 Supplies-specialty	-	21,000	11,000	10,000	90.91%
7830 Supplies-steel stock	-	3,800	2,800	1,000	35.71%
7850 Supplies-storm sewer/drain	-	2,300	2,300	-	-
7880 Supplies-welding	-	4,500	5,000	(500)	(10.00%)
7901 Maint-licensed vehicles	-	12,350	12,350	-	0.00%
7902 Maint-equipment	-	78,000	78,400	(400)	(0.51%)
TOTAL COMMODITIES	19,250	1,111,303	1,053,523	57,780	5.48%
OTHER					
8400 Glycol retention treatment facility	-	97,440	90,640	6,800	7.50%
8410 Landfill environmental costs	-	156,340	200,000	(43,660)	(21.83%)
8415 Property Taxes	-	63,000	63,000	-	0.00%
TOTAL OTHER	-	316,780	353,640	(36,860)	(10.42%)
FISCAL YEAR TOTALS	\$ 592,068	\$ 8,961,231	\$ 7,788,358	\$ 1,172,873	15.06%

Finance and Administration Department Summary

The Finance and Administration Department is responsible for the administration, financial management of policies and procedures of the Greater Rockford Airport Authority. The department includes the Executive Director and the strategic goals and capital improvements planning.

The functions of the department which is led by the Deputy Director of Finance and Administration include financial planning and analysis, human resource development, risk management, property development and grant administration. The Department establishes and maintains safeguards to protect the Authority's assets, which includes risk management duties. The Authority has over one hundred tenants and the Department administers and manages all leases. The Department issues fuel permits, commercial operating agreements, and prepares annual Disadvantage Business Enterprise Reports and Occupational Safety Health Administration Reports. Other areas of responsibility include all human resource functions including policies and procedures, hiring, labor union negotiations issues, personnel files, and insurance related issues. The Department also has oversight of procurement and information technology services.

The objectives and results for the prior year are as follows:

Objectives

To ensure the operation and maintenance of a high quality, customer service oriented, financial self-sufficient airport system and to support the purpose and goals of the Authority by providing exceptional financial and administrative management.

- ➔ Increase the economic impact of RFD to the region and the State of Illinois.
- ➔ Annual receipt of the GFOA budget award.
- ➔ Monthly Reports presented to Board and Staff on a timely basis.
- ➔ Periodic review of airport rates and fees with the goal remaining competitive to the market place.
- ➔ Receipt of GFOA certificate of achievement for excellence in financial reporting.
- ➔ Ensure that cash flows meet the Authority's needs while maximizing investment opportunities.
- ➔ Research and investigate other revenue sources for the Authority including but not limited to advertising, fuel farming, and new lease development.
- ➔ Investigate and plan future funding strategies for large capital improvements and projects to be presented to the Planning and Finance Committee.
- ➔ Implement training and employee programs to strengthen the professional development, skills and abilities of the RFD staff.

Results

- ➔ Received GFOA budget award for the nineteenth consecutive year.
- ➔ Implemented and supported an Asset Management Plan aligning Airport assets with maintenance and operations priorities and projects.
- ➔ Received GFOA certificate of achievement for excellence in financial reporting.
- ➔ Implemented paid passenger parking increasing non-aeronautical revenues.
- ➔ Initiated four new property leases increasing lease revenue.

Finance and Administration Department Budget

CODE/LINE ITEM, Department 04	ACTUAL FYE14	ACTUAL FYE15	ACTUAL FYE16	ACTUAL FYE17	BUDGET FYE18	ESTIMATE FYE18	BUDGET FYE19	\$Chg/FY18 Budget	%Chg/FY18 Budget
PERSONNEL SERVICES									
5400 Insurance	\$ 106,454	\$ 112,976	\$ 105,528	\$ 99,065	\$ 79,738	79,963	\$ 81,649		
5401 Insurance-retirees	80,472	98,271	81,776	66,327	61,282	51,104	54,763		
5450 Overtime	27	18	879	-	-	-	-		
5500 Payroll taxes	79,882	74,164	67,932	59,290	54,590	54,284	57,036		
5560 Pension contribution	78,339	70,771	69,518	61,267	62,003	61,955	77,934		
5562 Pension contribution-GASB 68	-	-	142,875	212,389	-	-	-		
5600 Salaries/wages	695,374	728,573	718,309	734,888	767,236	735,966	782,541		
5605 Outside labor	1,615	15,949	-	-	-	-	-		
5750 Training	234	1,129	1,099	5,000	5,000	5,000	6,160		
5800 Workers compensation insurance	2,168	2,390	2,506	3,016	1,151	1,128	1,174		
TOTAL PERSONNEL SERVICES	1,044,565	1,104,241	1,190,422	1,241,241	1,030,999	989,402	1,061,257	\$ 30,257	2.93%
CONTRACTUAL SERVICES									
6050 Audit	30,535	31,806	33,756	36,238	32,715	33,045	37,215		
6100 Building repair	-	-	-	257	-	-	-		
6140 Conferences & meetings	8,042	9,452	8,959	10,287	8,830	8,000	8,500		
6160 Consulting services	116,732	112,274	107,149	112,821	80,992	78,204	133,820		
6201 Energy-electric	20,561	28,467	31,639	30,809	30,000	30,000	25,000		
6202 Energy-natural gas	2,966	11,690	9,011	11,107	11,000	10,500	10,000		
6300 Engineering services	64,359	51,999	19,423	67,879	45,000	60,000	50,000		
6322 Equip.maint-service contracts	14,299	12,793	13,410	14,135	15,815	18,000	47,815		
6350 Equipment rental	7,269	5,904	5,513	5,526	5,530	6,208	5,530		
6400 Insurance	154,779	158,227	160,077	205,283	224,037	224,106	211,253		
6402 Insurance deductible	-	5,190	-	-	5,000	-	5,000		
6440 Legal notices	3,172	4,541	9,035	3,636	2,900	5,000	4,600		
6451 Legal services-general	149,626	80,537	39,722	69,462	50,000	38,902	55,000		
6452 Legal services-personnel	624	8,497	1,401	991	2,000	1,000	4,000		
6453 Legal services-other	2,100	2,407	-	300	1,000	4,000	1,500		
6480 Licenses, titles & inspections	-	-	-	-	-	-	35,000		
6510 Medical exams	25	239	246	25	300	300	300		
6540 Membership dues	36,804	33,962	26,479	24,159	33,449	20,000	13,425		
6600 Other	4,953	2,083	2,555	1,871	3,000	3,000	1,500		
6640 Payment services	6,142	5,810	5,723	5,523	5,500	5,400	5,500		
6700 Postage	3,357	4,332	2,551	2,432	3,300	3,703	2,800		
6730 Printing	1,609	1,662	1,099	576	950	1,047	950		
6751 Telephone-cellular	3,249	3,243	2,541	2,516	2,800	1,897	1,337		
6752 Telephone-local	18,899	25,318	25,579	22,306	20,400	19,428	19,693		
6800 Travel & transportation	19,990	32,076	15,689	14,806	19,900	14,521	23,470		
6850 Utilities	1,079	1,240	1,281	1,469	1,420	1,572	1,500		
TOTAL CONTRACTUAL SERVICES	671,168	633,748	522,837	644,414	605,838	587,832	704,709	\$ 98,871	16.32%
COMMODITIES									
7100 Building repair	442	284	-	-	-	-	-		
7140 Conferences & meetings	11,790	8,558	10,978	7,395	7,800	7,068	8,100		
7200 Equipment	2,160	3,274	1,959	2,502	6,500	15,000	10,000		
7380 Other	1,846	2,105	1,208	1,224	1,000	1,000	1,000		
7540 Signage	237	-	-	-	-	-	-		
7580 Software	1,728	61	29	941	30,895	31,000	-		
7600 Subscriptions	2,095	4,120	3,532	4,031	3,410	3,400	3,200		
7750 Supplies-office	6,396	5,532	5,035	4,049	4,400	2,173	10,280		
TOTAL COMMODITIES	26,695	23,933	22,742	20,141	54,005	59,640	32,580	\$ (21,425)	-39.67%
DEPARTMENT TOTAL	\$ 1,742,428	\$ 1,761,923	\$ 1,736,000	\$ 1,905,796	\$ 1,690,842	\$ 1,636,874	\$ 1,798,546	\$ 107,703	6.37%

Finance and Administration Budget Justifications

PERSONNEL SERVICES

5400 Insurance

Health, dental and life insurance costs for employees and eligible retirees.

Health insurance

The annual cost for the Authority for medicare eligible retirees is listed below; all those not medicare eligible have the same coverage as employees. The Authority is partially self funded and estimates for this partial funding are incorporated into the annual costs noted below.

Premiums are based on number of family members. The average annual cost for the Authority at 80% is as follows:

Employee - \$7,157

Employee + Spouse - \$15,526

Employee + Children - \$14,667

Family - \$21,095

Medicare Supp. D = \$2,550

Dental insurance

The average annual cost for dental is based on cobra rates as the program is self-funded.

Employee - \$474

Employee + One - \$852

Family - \$1,986

Life insurance

Life and AD&D insurance is provided to current employees. The benefit is 2.5 times an employee's base salary with life at \$.24/\$1,000 and AD&D at \$.035/\$1,000.

Eligible retirees are also provided with a \$2,500 life insurance benefit.

Employees:

Health	69,115
Dental	7,516
Life	5,018
Total employee insurance	<u>\$ 81,649</u>

5401 Retiree insurance

Health	49,291
Dental	5,400
Life	72
Total retiree insurance	<u>\$ 54,763</u>

5500 Payroll taxes

FICA - 6.2% of base wage up to \$128,400	43,084
Medicare - 1.45% of base wage	11,347
State unemployment - 2.13% of the first \$12,960	2,605
Total payroll taxes	<u>\$ 57,036</u>

5560 Pension contribution

IMRF pension fund - 9.50%	<u>\$ 71,494</u>
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5561 Pension contribution - 457 plan

Executive Director match	<u>\$ 6,440</u>
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5600 Salaries

Commissioner stipends - Seven commissioners	12,600
Salaries - 8 full time employees	769,941
Total salaries	<u>\$ 782,541</u>

5750 Training

GFOA training - governmental accounting	1,160
College courses - aviation/business/IT	5,000
Total training	<u>\$ 6,160</u>

5800 Workers compensation insurance

	<u>\$ 1,174</u>
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CONTRACTUAL SERVICES

6050 Audit

Independent auditor services - financial statements and single audit	35,000
GFOA award applications - Financial reporting and budget	715
Report production costs	1,500
Total audit	<u>\$ 37,215</u>

Finance and Administration Budget Justifications

6140 Conferences & meetings	
Chamber of Commerce, State of the City, County, etc	500
AAAE conference	800
Great Lakes AAAE conference	400
Allegiant air service planning conference	250
National Airports Conference	750
Other conferences (\$400 ea)	800
Business lunches/dinners	5,000
Total conferences & meetings	<u>\$ 8,500</u>
6160 Consulting services	
Information technology consultant	47,820
Other	1,500
HR support	6,500
FTZ administration	78,000
Total consulting services	<u>\$ 133,820</u>
6201 Energy-electric (60 Airport Dr.)	<u>\$ 25,000</u>
6202 Energy-natural gas (60 Airport Dr.)	<u>\$ 10,000</u>
6300 Engineering services	
Cost for professional engineering services rendered by outside engineering firms.	
Planning and engineering services	45,000
Other	5,000
Total engineering services	<u>\$ 50,000</u>
6322 Equip maint-service contracts	
Software support - Best FAS	1,900
Software support - Sage	7,465
Software support - Peopletrak	650
Software support - Cross Match fingerprint software	1,200
Copy machine - usage	4,000
Cityworks license	30,000
Telephone system	2,600
Total equipment maintenance-service contracts	<u>\$ 47,815</u>
6350 Equipment rental	
Postage/scale meter lease (\$180/qtr)	720
Copy machine (\$433/mo)	4,810
Total equipment rental	<u>\$ 5,530</u>
6400 Insurance	
Aviation liability	26,445
Automotive	24,881
Property	103,638
Public officials liability	22,325
Equipment	28,200
Fuel storage tanks	3,500
Customs bond	1,000
Crime	1,265
Total insurance	<u>\$ 211,253</u>
6402 Insurance deductible	<u>\$ 5,000</u>
6440 Legal notices	
Publication costs for public notices, including bid documents, Treasurer's Report, personnel notices.	
Annual receipts & disbursement report	900
Bid documents	3,200
Public meeting notices & other	500
Total legal notices	<u>\$ 4,600</u>
6451 Legal services-general	<u>\$ 55,000</u>
6452 Legal services-personnel	<u>\$ 4,000</u>
6453 Legal services-other	<u>\$ 1,500</u>

Finance and Administration Budget Justifications

6480 Licenses, titles & inspections	
Fingerprint and security threat assessment services	\$ 35,000
6510 Medical exams	\$ 300
6540 Membership dues	
EDC - Rockford program - voucher trade for \$5,000	-
Airport Council International - NA	8,900
Chamber of Commerce (Belvidere, Freeport, Loves Park-Machesney Park, & Rockford)	1,500
National Air Transport Association (NATA)	274
National Institute of Governmental Purchasing (NIGP)	356
American Association of Airport Executives (AAAE)	910
Government Finance Officers Assoc (GFOA)	915
National Procurement Institute	220
Sam's Club	90
Association of Airport Internal Auditors (AAIA)	150
Airport Purchasing Group (APG)	110
Total membership dues	\$ 13,425
6600 Other - Contractual services not itemized in other accounts.	\$ 1,500
6640 Payment services	
Bi-weekly payroll processing & quarterly reports	5,400
Other	100
Total payment services	\$ 5,500
6700 Postage	
Overnight mail	300
Postage, metered (approx \$250/mo)	2,500
Total postage	\$ 2,800
6730 Printing	
Checks, statements, HR forms	300
Business cards	600
Miscellaneous	50
Total printing	\$ 950
6751 Telephone-cellular	\$ 1,337
6752 Telephone	
IP phone and internet	3,693
Opex service	1,300
Ifiber	7,200
Answering service	7,500
Total telephone - local	\$ 19,693
6800 Travel & transportation (airfare/hotel/per diem)	
Amounts include an estimate of \$550/trip airfare, lodging of \$200/night and M&I of \$100/day for domestic.	
AAAE National meeting/training (3n)	1,450
GFOA Annual Conference	1,200
GFOA Governmental Accounting Training	1,200
Allegiant air service meeting (3n)	1,450
Other business meetings (3t) (2n)	3,450
Director business expense	14,520
Mileage	200
Total travel & transportation	\$ 23,470
6850 Utilities	
Water	1,140
Sewer	360
Total utilities	\$ 1,500

Finance and Administration Budget Justifications

COMMODITIES

7140 Conferences & meetings

In-house lunch/meetings	1,200
Bottled water	1,300
Employee events	2,000
Employee/board luncheon	900
Wellness program	1,500
Meeting supplies	1,200
Total conferences & meetings	<u>\$ 8,100</u>

7200 Equipment

Computers - replacements (5)	7,500
Monitors and accessories	2,000
Other	500
Total equipment	<u>\$ 10,000</u>

7380 Other - Commodities not itemized in other accounts.

\$ 1,000

7600 Subscriptions

Digicast email (AAAE)	500
Email and Office 365	2,100
Other (includes publications)	600
Total subscriptions	<u>\$ 3,200</u>

7750 Supplies-office

Copier & printer paper/fax cartridges	1,200
Badging supplies	5,880
Office supplies	2,800
Stationery/envelopes for stock	400
Total supplies-office	<u>\$ 10,280</u>

Facilities and Maintenance Department Summary

The Facilities and Maintenance Department is responsible for maintaining greater than 17.5 million square feet of runways, taxiways, aprons and roadways, including keeping them free of snow, ice and debris, as well as maintaining the airfield lighting system. This also includes maintaining 20 buildings and properties owned by the Airport Authority as well as a large fleet of snow removal equipment and vehicles; directing and coordinating construction projects; and the oversight of the glycol retention/treatment facility.

Following are the strategic objectives outlined in the most recent plan.

Objectives

The overall goal of the Facilities and Maintenance Department is to ensure that the Chicago Rockford International Airport's airfield infrastructure and properties are safe and secure for all those using the airport.

- ➔ Collaboration with other airport maintenance departments to research and implement best practices.
- ➔ Make available and encourage relevant training opportunities for department personnel.
- ➔ Develop performance metrics and gather specific department information to be utilized in both operating and capital planning.
- ➔ Maintain a snow removal equipment fleet in a manner that insures exceptional reliability during winter weather operations.
- ➔ Snow removal planning and coordination with a goal to maintain a safe airfield under any winter weather condition. Annual tenant snow removal meeting takes place in October annually. In addition a UPS/RFD snow removal meeting is held the same time annually.
- ➔ Complete a pavement marking evaluation and create rotation plan for all future pavement marking changes and updates.
- ➔ Investigate and evaluate opportunities to reduce energy costs in all airport facilities while reducing RFD's overall energy demands.

Facilities and Maintenance Department Budget

CODE/LINE ITEM, Department 05	ACTUAL FYE14	ACTUAL FYE15	ACTUAL FYE16	ACTUAL FYE17	BUDGET FYE18	ESTIMATE FYE18	BUDGET FYE19	\$Chg/FY18 Budget	%Chg/FY18 Budget
PERSONNEL SERVICES									
5400 Insurance	\$ 186,806	\$ 181,415	\$ 189,715	\$ 207,550	\$ 258,886	\$ 261,278	\$ 270,687		
5450 Overtime	112,244	97,672	72,738	63,719	75,442	\$ 75,000	86,025		
5451 Double time	59,947	34,227	19,933	45,075	27,549	\$ 70,000	49,606		
5500 Payroll taxes	78,813	75,795	78,029	78,180	96,373	\$ 94,761	105,189		
5560 Pension contribution	138,527	124,871	113,428	109,535	108,182	\$ 103,912	118,666		
5600 Salaries/wages	919,030	928,409	955,898	972,694	1,106,035	\$ 1,100,000	1,161,386		
5610 Pager pay	7,800	7,800	8,000	7,800	7,800	\$ 7,800	7,800		
5700 Tool allowance	2,050	1,800	1,800	1,800	1,800	\$ 1,800	1,800		
5750 Training	5,144	1,141	4,382	2,397	5,250	\$ 4,800	6,550		
5800 Workers compensation insurance	77,037	76,466	73,114	61,778	66,738	\$ 62,744	69,396		
5900 Uniforms	7,838	7,559	5,950	4,727	5,747	\$ 5,200	4,731		
5901 Uniforms-lost,damaged,replaced	914	1,342	445	282	500	\$ 169	500		
5903 Uniforms-other	3,569	4,274	4,148	3,896	6,400	\$ 3,802	6,400		
TOTAL PERSONNEL SERVICES	1,599,718	1,542,772	1,527,579	1,559,434	1,766,701	\$ 1,791,266	1,888,736	122,035	6.91%
CONTRACTUAL SERVICES									
6040 Airfield repair	14,170	155	90	6,202	42,000	\$ 20,339	36,000		
6100 Building repair	52,964	46,335	57,201	114,099	52,000	\$ 30,223	27,000		
6110 Building repair - MRO						\$ 13,538	76,850		
6140 Conferences & meetings	515	103	612	-	-		-		
6201 Energy-electric	114,401	160,190	154,667	144,831	128,000	\$ 125,768	128,000		
6202 Energy-natural gas	73,315	75,844	27,615	35,554	39,500	\$ 48,484	36,500		
6321 Equip maint-repairs/services	56,203	28,106	11,987	9,353	10,415	\$ 8,899	9,500		
6322 Equip maint-service contracts	47,852	40,579	53,627	64,307	51,007	\$ 100,000	93,717		
6350 Equipment rental	37,965	25,982	19,033	38,375	30,900	\$ 35,796	119,900		
6410 Landscaping	7,586	3,769	3,769	3,457	1,200	\$ 1,253	1,200		
6480 Licenses, titles & inspections	1,713	1,416	1,387	1,751	2,471	\$ 509	2,471		
6510 Medical exams	1,320	2,055	2,366	1,440	1,150	\$ 800	1,150		
6540 Membership dues	151	-	45	56	150	\$ 150	150		
6600 Other	237	14	-	10,762	1,000	\$ -	1,000		
6630 Parking - management fee	-	-	-	-	-	\$ 22,500	90,000		
6635 Parking - operations and maintenance	-	-	-	-	-	\$ 135,000	450,000		
6670 Permits & testing	2,575	290	190	2,270	1,400	\$ 400	3,750		
6751 Telephone-cellular	5,689	6,779	8,960	11,022	5,400	\$ 10,859	15,000		
6752 Telephone-local	16,702	18,557	16,447	22,055	17,100	\$ 16,172	16,509		
6800 Travel & transportation	2,373	4,896	5,576	3,687	7,600	\$ 6,731	7,600		
6850 Utilities	9,221	13,004	15,052	12,014	12,900	\$ 14,582	12,900		
6900 Vehicle maintenance	22,921	20,815	42,351	27,790	19,200	\$ 22,641	23,500		
6950 Waste removal	8,750	11,642	8,110	8,148	9,376	\$ 5,294	7,700		
TOTAL CONTRACTUAL SERVICES	477,027	460,536	429,087	517,173	432,769	\$ 619,938	1,160,397	727,628	168.13%
COMMODITIES									
7100 Building repair	15,366	24,071	28,551	47,655	28,850	\$ 34,410	35,000		
7140 Conferences & meetings	10,890	9,318	10,723	11,477	6,600	\$ 3,628	6,600		
7200 Equipment	24,839	25,766	15,184	26,765	17,000	\$ 25,443	11,250		
7240 Fence/gate	1,599	460	263	2,881	2,500	\$ 1,150	2,500		
7271 Fuel-diesel	135,627	85,890	42,061	46,687	62,000	\$ 62,000	62,000		
7272 Fuel-unleaded	43,139	37,132	24,027	24,417	34,000	\$ 34,000	34,000		
7273 Fuel-other	1,704	2,520	2,104	861	1,500	\$ 1,504	1,500		
7300 Landscaping	3,097	3,273	4,668	3,990	5,900	\$ 3,000	5,900		
7380 Other	77	71	-	-	1,000	\$ 500	1,000		
7400 Pavement marking	57,237	30,902	46,697	44,079	69,940	\$ 80,350	79,500		
7440 Pavement repair	18,169	37,441	11,499	26,989	29,000	\$ 9,673	38,000		
7500 Raw materials	253	146	711	221	5,200	\$ 5,200	5,200		
7501 Raw materials-deicing only	465,848	244,817	93,436	103,695	376,500	\$ 376,500	391,750		
7540 Signage	832	7,785	18,499	8,133	4,500	\$ 1,840	12,500		
7580 Software	1,994	2,080	799	-	3,000	\$ -	3,000		
7600 Subscriptions	4,179	4,092	4,747	3,776	2,605	\$ 1,989	3,535		
7660 Supplies-janitorial	3,660	2,853	1,303	735	2,500	\$ 1,149	2,500		
7690 Supplies-lighting/electrical (airside)	64,160	51,296	42,844	82,930	73,000	\$ 71,229	93,000		
7720 Supplies-snow removal wafers, poly-ste	64,924	45,792	38,557	59,258	51,000	\$ 51,000	46,000		
7750 Supplies-office	421	367	478	424	600	\$ 28	600		
7780 Supplies-other	3,113	2,918	2,246	7,380	5,000	\$ 5,000	5,000		
7782 Supplies-hardware	10,586	5,555	8,116	7,699	7,000	\$ 6,264	7,000		
7830 Supplies-steel stock	330	496	1,835	384	2,800	\$ 741	3,800		
7850 Supplies-storm sewer/drain	-	365	697	1,760	2,300	\$ 220	2,300		
7880 Supplies-welding	4,123	2,105	3,576	4,214	5,000	\$ 2,769	4,500		
7901 Maint-licensed vehicles	17,795	18,067	13,410	7,366	12,350	\$ 15,680	12,350		
7902 Maint-equipment	78,953	85,118	69,285	57,222	78,400	\$ 93,715	78,000		
TOTAL COMMODITIES	1,032,917	730,698	486,316	581,000	890,045	\$ 888,982	948,285	58,240	6.54%
OTHER									
8400 Glycol retention treatment facility	81,851	107,689	80,778	65,233	90,640	\$ 77,053	97,440		
8410 Landfill environmental costs	191,426	325,796	194,303	218,652	200,000	\$ 216,861	156,340		
8415 Property taxes	62,219	50,258	143,491	93,971	63,000	\$ 90,000	63,000		
TOTAL OTHER	335,495	483,742	418,571	377,856	353,640	\$ 383,914	316,780	(36,860)	-10.42%
DEPARTMENT TOTAL	\$ 3,445,156	\$ 3,217,748	\$ 2,861,554	\$ 3,035,463	\$ 3,443,155	\$ 3,684,100	\$ 4,314,198	\$ 871,042	25.30%

Facilities and Maintenance Department Justifications

PERSONNEL SERVICES

5400 Insurance

Health insurance

The Authority is partially self funded and estimates for this partial funding are incorporated into the annual costs noted below.

Premiums are based on number of family members. The average annual cost for the Authority at 80% is as follows:

Employee - \$7,157

Employee + Spouse - \$15,526

Employee + Children - \$14,667

Family - \$21,095

Dental insurance

The annual cost for dental is based on cobra rates as the program is self-funded.

Employee - \$474

Employee + One - \$852

Family - \$1,986

Life insurance

Life and AD&D insurance is provided to current employees. The benefit is 2.5 times an employee's base salary with life at \$.24/\$1000 and AD&D at \$.035/\$1000.

Health	255,656
Dental	7,516
Life	7,516
Total employee insurance	<u>\$ 270,687</u>

5450 Overtime

Estimated 2,000 hours of overtime for hourly employees.	<u>\$ 86,025</u>
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5451 Double time

Estimated 820 hours of overtime for hourly employees.	<u>\$ 49,606</u>
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5500 Payroll taxes

FICA - 6.2% of base wage up to \$128,400	81,010
Medicare - 1.45% of base wage	18,946
State unemployment - 2.13% of the first \$12,960	5,233
Total payroll taxes	<u>\$ 105,189</u>

5560 Pension contribution

IMRF pension fund - 9.50%	<u>\$ 118,666</u>
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5600 Salaries

Includes 18 full time employees and 5 seasonal employees	<u>\$ 1,161,386</u>
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5610 Pager pay 4 staff - 1 constant and 3 rotation

<u>\$ 7,800</u>

5700 Tool allowance (3ee @ \$50/mo)

<u>\$ 1,800</u>

5750 Training

Pavement and Airfield Maintenance	2,300
Energy Efficiency	1,250
Other	3,000
Total training	<u>\$ 6,550</u>

5800 Workers compensation insurance

<u>\$ 69,396</u>

5900 Uniforms

<u>\$ 4,731</u>

5901 Uniforms - lost/damage/replacement

<u>\$ 500</u>

Facilities and Maintenance Department Justifications

5903 Uniforms - protective clothing

Protective clothing allowance	6,400
Total other uniforms	<u>\$ 6,400</u>

CONTRACTUAL SERVICES

6040 Airfield repair

Contractual services for repairs to lighting system, pavement surfaces, pavement markings, plumbing systems and wildlife control.	<u>\$ 36,000</u>
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6100 Building repair

Contractual service costs for the repair or modification to various Authority owned and maintained properties	
Overhead door repairs	3,000
Automatic door repairs	1,200
Pest control	4,100
Rug runners/facility entrances	4,000
Bldg security (Term, Prof, Ops) Fire/ADT or other	2,000
Sewer/drainage jetting and pumping	4,200
Other	8,500
Total building repair	<u>\$ 27,000</u>

6110 Building repair - MRO	<u>\$ 76,850</u>
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6201 Energy-electric	<u>\$ 128,000</u>
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6202 Energy-natural gas	<u>\$ 36,500</u>
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6321 Equip maint-repairs/services

HVAC units	5,500
Emergency generators - airfield	1,800
Building automation system	1,200
Radio repairs	1,000
Total equipment maintenance-repairs/services	<u>\$ 9,500</u>

6322 Equip maint-service contracts

Copy machine usage	192
Weather service	2,000
Telephone system	525
Lawn maintenance services	86,000
Other	5,000
Total equipment maintenance-service contracts	<u>\$ 93,717</u>

6350 Equipment rental

Aerial 80' lift for apron lighting (UPS)	12,000
Specialty equipment attachments	3,500
Copy machine	500
Building maintenance equipment	5,000
Temporary utility meters	200
Fire hydrant 1" water meter rental	200
Snow removal equipment	98,500
Total equipment rental	<u>\$ 119,900</u>

6410 Landscaping	<u>\$ 1,200</u>
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6480 Licenses, titles, inspections & background checks

Yearly license renewal on all applicable vehicles and trailers and any necessary semiannual inspection.	
Rolling stock yearly license plates	400

Facilities and Maintenance Department Justifications

Trucks/trailers semi-annual inspections	150
Title services	300
Fire extinguishing test	1,291
Other	330
Total license, titles & inspections	<u>\$ 2,471</u>
6510 Medical exams	<u>\$ 1,150</u>
6540 Membership dues	
Water Environment Federation	150
Total membership dues	<u>\$ 150</u>
6600 Other - contractual costs not itemized in other accounts.	<u>\$ 1,000</u>
6630 Parking expenses - management fee	<u>\$ 90,000</u>
6635 Parking expenses - operations and maintenance	<u>\$ 450,000</u>
6670 Permits & testing	
Backflow preventors	1,200
SRE air quality sensors	1,750
UPS sanitary lift station certification	800
Total permits & testing	<u>\$ 3,750</u>
6751 Telephone-cellular	<u>\$ 15,000</u>
6752 Telephone-local	
IP phones	6,043
Internet services	4,552
Land lines	5,913
Total telephone-local	<u>\$ 16,509</u>
6800 Travel & transportation	
Pavement and airfield maintenance	2,300
Maintenance related conferences including wildlife	5,300
Total travel & transportation	<u>\$ 7,600</u>
6850 Utilities	
Water (10 meters)	9,600
Sewer (10 meters)	3,300
Total utilities	<u>\$ 12,900</u>
6900 Vehicle maintenance	
Brake rotors turned	
Hydraulic pumps/motors/valves/cylinders rebuilt	
Specialty fabrication/machine work	
Vehicle oil and fluid analysis	
Front end alignments	
Split-rim tire repairs	
Total vehicle maintenance	<u>\$ 23,500</u>

Facilities and Maintenance Department Justifications

6950 Waste removal

Biohazard	760
Debris and extra dumpster pick-ups	2,400
Environmental	2,790
Used parts and filters	1,000
Other	750
Total waste removal	<u>\$ 7,700</u>

COMMODITIES

7100 Building repair

Materials used in connection with the maintenance of all Authority owned buildings not covered by tenant leases.	<u>\$ 35,000</u>
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7140 Conferences & meetings

Water rental and delivery	1,300
Meals for snow removal crews/special event crews	4,800
Miscellaneous	500
Total conferences & meetings	<u>\$ 6,600</u>

7200 Equipment

Computer replacements (2)	3,000
Hand tools/small power tools	5,000
Building automation system field components	1,000
Hardware	1,400
Battery replacement	850
Total equipment	<u>\$ 11,250</u>

7240 Fence/gate - perimeter fence and gate supplies

\$ 2,500

7271 Fuel-diesel

\$ 62,000

7272 Fuel-unleaded

\$ 34,000

7273 Fuel-other

\$ 1,500

7300 Landscaping

Supplies associated with property maintenance of all Authority grounds not covered in tenant lease.	<u>\$ 5,900</u>
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7380 Other - Costs of commodities not itemized in other accounts.

\$ 1,000

7400 Pavement marking

Pavement marking paint	44,000
Type I and III glass bead	27,200
Other	8,300
Total pavement marking	<u>\$ 79,500</u>

7440 Pavement repair

Includes joint sealer, seal coat, primers, asphalt, stone, backing rod, rubber seals and other materials directly associated with pavement repair.	<u>\$ 38,000</u>
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Facilities and Maintenance Department Justifications

7500 Raw materials	
Sand	1,700
Gravel	3,500
Total raw materials	<u>\$ 5,200</u>
7501 Raw materials-deicing only	
Potassium acetate	175,000
Road salt	6,000
Other FAA approved deicing material	50,000
Urea	160,000
Sidewalk ice melt	750
Total raw materials-deicing only	<u>\$ 391,750</u>
7540 Signage (landside)	
Repair & replacement of signage for buildings, roadways, special events and construction	<u>\$ 12,500</u>
7580 Software	
Includes upgrades to maintenance related software / automotive analyzer maintenance	3,000
Total software	<u>\$ 3,000</u>
7600 Subscriptions	
Rockford Register Star	200
Office 365 and email	2,610
Other	725
Total subscriptions	<u>\$ 3,535</u>
7660 Supplies-janitorial	
Consumable products	1,000
Cleaners	800
Strippers/waxes	200
Mop heads/brushes/brooms/bags/etc	500
Total supplies-janitorial	<u>\$ 2,500</u>
7690 Supplies-lighting/electrical (airside)	
Repair and replacement of existing runway, taxiway, directional signage and apron lighting systems.	<u>\$ 93,000</u>
7720 Supplies-snow removal wafers/poly-steel blades	
Broom core replacements for snow removal equipment.	<u>\$ 46,000</u>
7750 Supplies-office	
Office supplies	600
Total supplies-office	<u>\$ 600</u>
7780 Supplies-other	
Other supplies not itemized in other accounts	<u>\$ 5,000</u>
7782 Supplies-hardware (expendable supplies)	<u>\$ 7,000</u>
7830 Supplies-steel stock	<u>\$ 3,800</u>
7850 Supplies-storm sewer/drain	
Drain tile, culverts, flares, storm drain covers, plates and other replacement items and emergency repair of airport infrastructure.	<u>\$ 2,300</u>
7880 Supplies-welding	<u>\$ 4,500</u>

Facilities and Maintenance Department Justifications

7901 Maintenance-licensed vehicles

Supplies for approximately 15 vehicles.

\$ 12,350

7902 Maintenance-equipment

Supplies for repair of Authority equipment.

\$ 78,000

OTHER

8400 Glycol retention treatment facility

Electric	38,000
Testing	8,900
Equipment service and repairs	16,000
Chemicals	20,000
Wireless monitoring fees	1,140
Consulting/engineering/environmental	8,500
Building automation system field components	3,500
Permit and pest control	1,400
Total glycol retention treatment facility	\$ 97,440

8410 Landfill and environmental costs - legal and engineering costs

Landfill related environmental costs	106,340
Other environmental expenses	50,000
Total environmental expenses	\$ 156,340

8415 Property taxes

Property taxes paid for Authority owned properties including land and improvements.

\$ 63,000

Operations Department Summary

The Operations Department has the overall responsibility for the safe and secure operation of the airport, and is also responsible for passenger service. This includes monitoring and ensuring compliance with all FAA, TSA, Federal, State and Local regulatory requirements; and that all air carriers, general aviation aircraft and airport tenants operate in a safe manner; administering the airport's badging, background check and security systems; wildlife control, inspection and oversight of all fueling operations and numerous other responsibilities as defined by FAR 139 and TSA 1542 regulations. Additional duties also include addressing any passenger complaints, questions, and overall customer service within the terminal.

The department is also responsible for coordinating with Properties, Facilities and Maintenance Departments for maintenance, tenant concerns, and snow removal performed on and around the runways, taxiways, ramps, and terminals.

Objectives

The overall goal of the Operations Department is to maintain the safety and security of the Chicago Rockford International Airport in accordance with FAA Part 139 and TSA 1542 regulations all while providing a high quality customer service to all airport users.

- ➔ Work with airport staff, airport fire department, contract security to better develop roles and responsibilities within the incident command structure.
- ➔ Implement airport tenant ID challenge reward program.
- ➔ Assist administration staff with growing the airport safety program.
- ➔ Stay up to date with the FAA's SMS changes and apply SMS methods to daily operations.
- ➔ Make available increased, outside training opportunities for all department personnel.
- ➔ Continue to update all Manuals, Plans, and SOP's
- ➔ Complete annual FAA certification process with no discrepancies.
- ➔ Continue to monitor all policies to insure RFD remains in compliance with FAR 139, all TSA 1542 regulatory requirements as well as appropriate federal, state and local regulations as they relate to airport operations.
- ➔ Snow removal planning and coordination with a goal to maintain a safe airfield under any winter weather condition.
- ➔ Work with the Facilities and Maintenance Department to plan all airfield activities to reduce the number of surface closures and the impact on our users.
- ➔ Satisfactorily address all customer service complaints in a timely and positive manner.

Prior Year Results

- ➔ 0 Aircraft accident / incidents
- ➔ 0 Runway incursions
- ➔ 0 Vehicle pedestrian deviations
- ➔ 0 Discrepancies on the TSA Inspection
- ➔ All staff had training opportunities during the year.

Operations Department Budget

CODE/LINE ITEM, Department 06	ACTUAL FYE14	ACTUAL FYE15	ACTUAL FYE16	ACTUAL FYE17	BUDGET FYE18	ESTIMATE FYE18	BUDGET FYE19	\$Chg/FY18 Budget	%Chg/FY18 Budget
PERSONNEL SERVICES									
5400 Insurance	\$ 77,999	\$ 46,329	\$ 50,708	\$ 65,633	\$ 77,895	\$ 92,896	\$ 130,559		
5450 Overtime	32,765	53,356	31,637	25,828	21,164	\$ 39,520	19,275		
5451 Double time	25,167	40,873	29,595	33,235	16,847	\$ 45,745	15,211		
5500 Payroll taxes	32,391	29,174	33,825	35,635	39,732	\$ 37,973	34,036		
5560 Pension contribution	54,427	42,788	44,744	47,222	44,415	\$ 42,266	38,200		
5600 Salaries/wages	395,967	324,870	393,857	442,989	464,425	\$ 427,433	416,110		
5750 Training	9,813	9,645	6,943	5,202	12,500	\$ -	23,000		
5800 Workers compensation insurance	29,716	29,742	28,014	22,871	24,202	\$ 22,764	18,156		
5900 Uniforms	3,570	2,869	3,119	1,445	814	\$ 1,269	3,912		
5901 Uniforms-lost,damaged,replaced	841	553	33	-	300	\$ -	300		
5903 Uniforms-other	1,814	1,022	923	941	2,400	\$ 620	2,125		
TOTAL PERSONNEL SERVICES	664,470	581,221	623,399	681,000	704,694	\$ 710,486	700,884	(3,810)	-0.54%
CONTRACTUAL SERVICES									
6140 Conferences & meetings	851	243	259	1,360	2,500	\$ 1,764	7,500		
6161 ARFF contractual services	1,038,808	614,505	618,529	628,004	627,614	\$ 626,480	646,333		
6162 ARFF training	24,964	357	357	-	-	\$ -	-		
6163 LEO contractual services	15,677	10,748	31,482	16,828	30,000	\$ 30,000	30,000		
6322 Equip maint-service contracts	1,005	2,670	11,630	7,695	12,475	\$ 4,477	44,232		
6350 Equipment rental	1,858	1,221	1,487	1,597	2,215	\$ 1,010	4,000		
6480 Licenses, titles & inspections	7,000	7,090	11,268	18,337	15,000	\$ 8,000	-		
6510 Medical exams	291	754	575	528	1,000	\$ 255	500		
6540 Membership dues	825	1,970	635	2,300	1,595	\$ 1,595	2,380		
6600 Other	104	23	-	-	-	\$ -	-		
6751 Telephone-cellular	3,874	3,506	4,204	3,895	4,150	\$ 3,380	4,500		
6752 Telephone-local	19,762	13,214	3,902	4,024	3,900	\$ 3,184	3,622		
6800 Travel & transportation	2,612	2,005	4,552	5,540	3,990	\$ 7,512	11,600		
6806 Customer care/customer service			1,087	122	2,000	\$ -	-		
TOTAL CONTRACTUAL SERVICES	1,117,631	658,306	689,967	690,231	706,439	\$ 687,657	754,668	48,229	6.83%
COMMODITIES									
7140 Conferences & meetings	676	611	1,171	1,154	1,000	\$ -	4,000		
7200 Equipment	7,313	2,195	10,155	5,614	11,000	\$ 12,290	13,500		
7580 Software	1,710	-	24	5,997	-	\$ -	-		
7600 Subscriptions	2,791	2,775	3,110	5,233	13,438	\$ 14,813	14,050		
7750 Supplies-office	2,371	2,009	1,986	1,272	2,900	\$ 2,500	1,500		
7780 Supplies-other			1,392	2,210	2,000	\$ 307	5,000		
7810 Supplies-specialty	7,635	16,292	10,394	15,355	11,000	\$ 14,500	21,000		
TOTAL COMMODITIES	22,496	23,882	28,231	36,834	41,338	\$ 44,411	59,050	17,712	42.85%
DEPARTMENT TOTAL	\$ 1,804,597	\$ 1,263,410	\$ 1,341,597	\$ 1,408,065	\$ 1,452,471	\$ 1,442,553	\$ 1,514,602	62,130	4.28%

Operations Department Justifications

5400 Insurance

Health insurance

The Authority is partially self funded and estimates for this partial funding are incorporated into the annual costs noted below.

Premiums are based on number of family members. The average annual cost for the Authority at 80% is as follows:

Employee - \$7,157

Employee + Spouse - \$15,526

Employee + Children - \$14,667

Family - \$21,095

Dental insurance

The annual cost for dental is based on cobra rates as the program is self-funded.

Employee - \$474

Employee + One - \$852

Family - \$1,986

Life insurance

Life and AD&D insurance is provided to current employees. The benefit is 2.5 times an employee's base salary with life at \$.24/\$1000 and AD&D at \$.035/\$1000.

Health	101,488
Dental	20,250
Life	8,821
Total employee insurance	<u>\$ 130,559</u>

5450 Overtime

Estimated 600 hours of overtime for hourly employees.

\$ 19,275

5451 Double time

Estimated 350 hours of overtime for hourly employees.

\$ 15,211

5500 Payroll taxes

FICA - 6.2% of base wage up to \$128,400

25,799

Medicare - 1.45% of base wage

6,034

State unemployment - 2.13% of the first \$12,960

2,203

Total payroll taxes

\$ 34,036

5560 Pension contribution

IMRF pension fund - 9.50%

\$ 38,200

5600 Salaries

Includes 8 full time employees

\$ 416,110

5750 Training

FAA Part 139

7,000

Airport security coordinator - TSA 1542/1544

5,000

ATTN Digicast training

2,000

Tuition reimbursement

5,000

Cityworks

4,000

Total training

\$ 23,000

5800 Workers compensation insurance

\$ 18,156

5900 Uniforms

Weekly uniform rental

212

Apparel with RFD logos

3,700

\$ 3,912

Operations Department Justifications

5901 Uniforms - lost/damage/replacement	<u>\$ 300</u>
5903 Uniforms - protective clothing	
Protective clothing allowance	2,125
Total other uniforms	<u>\$ 2,125</u>
CONTRACTUAL SERVICES	
6140 Conferences & meetings	
Conference registrations - AAAE, ASOS, security training	6,500
Annual tenant meetings for NPDES/Part 139/ TSA1542	1,000
	<u>\$ 7,500</u>
6161 ARFF contractual services	
Contract with the ProTec for all ARFF services.	<u>\$ 646,333</u>
6163 LEO contractual services	<u>\$ 30,000</u>
6322 Service contracts	
Copy machine usage	2,000
Weather service	2,232
Access control and video management system service agreement	7,500
Security and backbone network infrastructure agreement	6,000
Contracts for ARFF equipment - preventative maintenance and repairs	1,500
Wildlife services - USDA	25,000
Total equipment maintenance-service contracts	<u>\$ 44,232</u>
6350 Equipment rental	
Copy machine	4,000
Total equipment rental	<u>\$ 4,000</u>
6510 Medical exams	<u>\$ 500</u>
6540 Membership dues	
AAAE	1,650
Aircraft rescue & fire	175
MABAS division 8 dues and membership	485
Great lakes chapter AAAE	70
Total membership dues	<u>\$ 2,380</u>
6751 Telephone-cellular	<u>\$ 4,500</u>
6752 Telephone-local	
IP phones	821
Internet services	2,276
Land lines	525
Total telephone-local	<u>\$ 3,622</u>
6800 Travel & transportation	
Amounts include an estimate of \$550/trip airfare, lodging of \$200/night and M&I of \$100/day for	
Security system training (travel, lodge, meals)	2,900
Winter operations management conference	2,900
AAAE annual conference	4,350
Cityworks	1,450
Total travel & transportation	<u>\$ 11,600</u>

Operations Department Justifications

COMMODITIES

7140 Conferences & meetings

Triennial exercise	4,000
Total conferences & meetings	<u>\$ 4,000</u>

7200 Equipment

Wildlife tools	7,500
Handheld radios	2,000
Security system surveillance cameras	4,000
Total equipment	<u>\$ 13,500</u>

7600 Subscriptions

Email and Office 365	1,050
Weather command	1,000
Flight explorer	2,000
Everbridge	10,000
Total subscriptions	<u>\$ 14,050</u>

7750 Supplies-office - badges etc.

Office supplies	1,500
Total supplies-office -badges etc.	<u>\$ 1,500</u>

7780 Supplies - other

Other	5,000
Total supplies-other	<u>\$ 5,000</u>

7810 Supplies-specialty

Life safety equipment	6,000
ARFF fire suppressant chemical	15,000
Total supplies - speciality	<u>\$ 21,000</u>

Marketing Department Summary

The Marketing Department is responsible for ensuring consistent awareness to consumers and businesses regarding RFD's high-value, low-cost, hassle-free experience. This message is used to improve RFD's standing in the markets in which it operates. The markets that are targeted by RFD for continued development include air service for scheduled airlines, seasonal air service, air charters, and air cargo. The Marketing objectives and results are outlined below.

Objective: Enhance and grow air service at RFD and to effectively market RFD to the region.

Result: *In frequent contact with new airline carriers through air service development consultants. Participate in air service conferences throughout the year.*

Objective: Think creatively and implement unique, yet effective marketing campaigns that consistently engage the community and region in a financially conservative manner.

Result: *Promoted contests on Constant Contact to promote Allegiant air service (Spring Get Away Giveaway) and Allegiant Get-a-Way car to engage community involvement and awareness of destinations.*

Objective: Perform regular research and analysis of RFD activity and airline performance through surveying, polling, and industry statistical analysis.

Result: *Computer kiosk regarding customer satisfaction located by TSA check in. Frequently used.*

Objective: Explore and create new partnerships and/or trade opportunities that supplement our marketing plan to produce results and save costs for the airport.

Result: *Partnered with BMO Harris Bank Center and Apple Vacations for a six-month promotion (Come Fly with Me). Apple Vacation trip giveaway at end of season.*

Objective: Increase social media activity and connections.

Result: *Send all monthly Allegiant promotions, new stories, diversion activity, press releases and seasonal Apple Vacations Specials.*

Objective: Participate in and support community events.

Results: *Sponsor, host or participate in the following yearly events: Toys for Tots, Cub Scouts, Light up the Parks parade, Festival of Lights, Tough Mudder, Labor Day parade, 4th of July parade, Job Fairs, Rockford Award, Travel Agent event, and Terminal tours.*

Objective: Update and maintain a user-friendly Airport website.

Results: *New website to be released in fall of 2018.*

Marketing Department Budget

CODE/LINE ITEM, Department 07	ACTUAL FYE14	ACTUAL FYE15	ACTUAL FYE16	ACTUAL FYE17	BUDGET FYE18	ESTIMATE FYE18	BUDGET FYE19	\$Chg/FY18 Budget	%Chg/FY18 Budget
PERSONNEL SERVICES									
5400 Insurance	\$ 7,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
5500 Payroll taxes	3,550	-	-	-	-	-	-		
5560 Pension contribution	3,575	-	-	-	-	-	-		
5600 Salaries/wages	40,928	-	-	-	-	-	-		
5800 Workers compensation insurance	100	-	-	-	-	-	-		
TOTAL PERSONNEL SERVICES	55,779	-	-	-	-	-	-	\$ -	0.00%
CONTRACTUAL SERVICES									
6021 Ad-Television	39,794	55,942	108,801	48,218	20,000	20,000	20,000		
6022 Ad-Radio	48,406	74,423	87,647	38,366	50,000	50,000	50,000		
6023 Ad-Billboards	130	12,510	-	-	-	-	-		
6024 Ad-Direct	-	-	1,909	-	-	-	-		
6025 Ad-Promotions/sponsorships/events	46,745	21,263	15,693	15,654	10,000	10,000	10,000		
6026 Ad-Print	22,024	24,212	36,720	12,852	8,000	5,500	8,000		
6027 Ad-Internet/web	1,000	26,854	21,576	230	33,000	20,000	33,000		
6121 Incentives - Awareness	50	-	-	-	-	-	5,000		
6140 Conferences & meetings	-	576	1,400	-	-	-	-		
6145 Air service start up	267	-	-	-	-	-	-		
6160 Consulting services	81,492	75,001	76,759	62,020	60,500	52,090	67,500		
6730 Printing	12,344	1,226	1,880	1,484	8,000	5,000	8,000		
6752 Telephone-local	228	-	-	-	-	-	-		
6753 Telephone-long distance	622	902	-	-	-	-	-		
6800 Travel & transportation	332	-	-	-	-	-	-		
TOTAL CONTRACTUAL SERVICES	253,433	292,910	352,385	178,825	189,500	162,590	201,500	\$ 12,000	6.33%
COMMODITIES									
7140 Conferences & meetings	360	-	9,291	-	-	-	-		
7380 Other	30	-	-	-	-	-	-		
7600 Subscriptions	282	131	5	-	-	-	-		
7796 Supplies-promotional	9,860	14,074	8,587	4,437	10,000	10,000	5,000		
TOTAL COMMODITIES	10,532	14,205	17,882	4,437	10,000	10,000	5,000	\$ (5,000)	-50.00%
DEPARTMENT TOTAL	\$ 319,744	\$ 307,115	\$ 370,267	\$ 183,262	\$ 199,500	\$ 172,590	\$ 206,500	\$ 7,000	3.51%

Marketing Budget Justifications

CONTRACTUAL SERVICES

Advertising

Advertising associated with airline, charter and/or cargo service

6021 Television/Digital	<u>\$</u>	<u>20,000</u>
6022 Radio/Social Media	<u>\$</u>	<u>50,000</u>
6025 Promotions/Sponsorships/Events - Awareness		
Festival of Lights		1,400
Toys for Tots		800
Light Up the Parks parade		500
Job fairs		500
Other		6,800
Total promotions/sponsorships/events	<u>\$</u>	<u>10,000</u>
6026 Print	<u>\$</u>	<u>8,000</u>
6027 Internet/Web/Digital Media	<u>\$</u>	<u>33,000</u>
6121 Incentives - Awareness	<u>\$</u>	<u>5,000</u>
6160 Consulting services		
Ad design and production		2,500
Website update & services		10,000
Email blasting		5,000
Media Relations		48,000
Photography and video services		2,000
Total consulting services	<u>\$</u>	<u>67,500</u>
6730 Printing		
Banners		6,000
Invitations/cards		250
RFD brochure reprint		750
Rack cards		500
Other		500
Total printing	<u>\$</u>	<u>8,000</u>
7796 Supplies-promotional		
Promotional items endorsing airport awareness and customer service.		
Shirts, hats, pens, coasters, lanyards, coloring books, etc		5,000
Total supplies-promotional	<u>\$</u>	<u>5,000</u>

Terminal Services Department Summary

The Domestic and International Terminal travel areas are the responsibility of the Terminal Services Department. With added flights over the course of the next year it is estimated that 300,000 people will utilize the terminals flying to both domestic and international destinations. This estimated utilization will no doubt affect the maintenance and personnel costs associated with the growth. The Terminal Service Department focuses first on the customer at RFD, ensuring that our passengers are given top priority with assistance providing unprecedented service whether it be by our Terminal Services representative or our Airport Volunteers, Ambassadors.

Following are the objectives aligned with our Terminal Services. Department initiatives to move the goals are listed below. Also noted are prior year results.

Objectives

The Airport Terminals are essential transportation facilities in this region. The main passenger terminal is currently undergoing a 30,000 square foot addition/expansion. It is our goal to provide a safe and efficient facility adding an expanded check-in area, additional TSA inspection lanes, and an improved outbound baggage handling area for the traveling public.

- ➔ Operate the Terminals in a safe, secure, reliable, well maintained manner and ready to use; provide service levels that establish customer confidence and satisfaction from curbside to the jet bridges.
- ➔ Assist and identify a realistic financial plan to support the capital investments for the passenger terminals.
- ➔ Maintain service reliability, on-time services and repairs as functionally needed through our Asset Management program.
- ➔ Focus on the safety and service quality as it pertains to our traveling and general public.
- ➔ Continually improve customer convenience and hospitality for all customers.
- ➔ Maximize opportunities to achieve new revenue opportunities for the terminals.

Results

- ➔ Completed second phase of terminal expansion project.
- ➔ Increased customer satisfaction with a more efficient and more streamlined terminal experience with the expansion of the Terminal check-in counters and TSA inspection lines.
- ➔ Maintained Ambassador program with a total of 12 Ambassadors. Most of the Ambassadors have been with RFD for three years or more.

Terminal Services Department Budget

CODE/LINE ITEM, Department 08	ACTUAL FYE14	ACTUAL FYE15	ACTUAL FYE16	ACTUAL FYE17	BUDGET FYE18	ESTIMATE FYE18	BUDGET FYE19	\$Chg/FY18 Budget	%Chg/FY18 Budget
PERSONNEL SERVICES									
5400 Insurance	\$ 29,722	\$ 30,462	\$ 27,815	\$ 23,490	\$ -	\$ -	\$ -		
5450 Overtime	21,060	19,880	17,580	16,084	-	-	-		
5451 Double time	12,182	11,891	16,610	20,583	-	-	-		
5500 Payroll taxes	11,630	11,067	11,635	9,184	-	-	-		
5560 Pension contribution	17,462	18,354	17,094	11,965	-	-	-		
5600 Salaries/wages	136,397	124,160	122,909	91,975	-	-	-		
5605 Outside labor	-	14,521	22,208	-	-	-	-		
5750 Training	175	-	-	-	-	-	-		
5800 Workers compensation insurance	10,734	13,202	13,224	7,918	-	-	-		
5900 Uniforms	1,363	1,307	1,260	822	-	-	-		
5901 Uniforms-lost,damaged,replaced	33	-	-	35	-	-	-		
5903 Uniforms-other	404	381	507	362	-	-	-		
TOTAL PERSONNEL SERVICES	241,162	245,223	250,841	182,417	-	-	-	\$ -	#DIV/0!
CONTRACTUAL SERVICES									
6100 Building repair	16,677	10,655	18,890	8,626	15,000	10,280	20,000		
6201 Energy-electric	94,786	103,130	106,539	109,949	110,000	107,951	110,000		
6202 Energy-natural gas	22,384	31,289	21,011	22,733	20,650	20,000	20,650		
6320 Equipment maintenance	402	-	-	-	-	-	-		
6321 Equip maint-repairs/services	32,931	35,946	14,467	9,788	20,950	6,898	20,450		
6322 Equip maint-service contracts	48,253	62,834	62,031	115,796	166,468	168,422	208,353		
6350 Equipment rental	10,666	12,972	11,651	13,413	12,900	13,374	12,900		
6410 Landscaping	5,830	6,948	2,346	4,349	1,500	1,277	1,500		
6480 Licenses, titles & inspections	895	3,105	3,651	8,710	4,850	1,228	6,100		
6510 Medical exams	187	225	179	139	300	183	300		
6600 Other	109	-	-	58	500	-	500		
6751 Telephone-cellular	959	969	1,211	650	360	442	480		
6752 Telephone-local	12,717	12,820	16,739	17,254	14,100	13,963	19,517		
6806 Customer care/customer service							2,000		
6850 Utilities	7,967	8,908	9,026	8,665	10,980	10,424	10,980		
6950 Waste removal	30,296	38,086	33,745	40,440	49,450	50,000	54,450		
TOTAL CONTRACTUAL SERVICES	285,060	327,886	301,486	360,571	428,008	404,441	488,180	\$ 60,172	14.06%
COMMODITIES									
7100 Building repair	5,690	28,346	16,768	7,290	18,000	3,069	15,000		
7140 Conferences & meetings	1,098	1,557	1,842	2,091	1,400	1,450	1,400		
7200 Equipment	10,177	13,183	3,568	(165)	3,000	-	5,500		
7300 Landscaping	1,676	1,263	35	78	-	585	-		
7380 Other	-	81	19	31	1,000	-	1,000		
7540 Signage	307	-	1,804	8,991	4,000	-	4,000		
7600 Subscriptions	1,156	2,583	1,977	2,219	2,655	1,500	2,838		
7660 Supplies-janitorial	20,355	16,641	16,701	18,392	11,000	11,048	15,500		
7750 Supplies-office	980	1,099	1,100	1,514	400	39	400		
7780 Supplies-other	1,074	1,187	59	708	-	263	1,500		
TOTAL COMMODITIES	42,512	65,940	43,873	41,149	41,455	17,953	47,138	\$ 5,683	13.71%
DEPARTMENT TOTAL	\$ 568,734	\$ 639,049	\$ 596,199	\$ 584,137	\$ 469,463	\$ 422,394	\$ 535,318	\$ 65,855	14.03%

Terminal Services Budget Justifications

CONTRACTUAL SERVICES

6100 Building repair

Repair and painting in terminal

\$ 20,000

6201 Energy-electric - terminal

\$ 110,000

6202 Energy-natural gas - terminal

\$ 20,650

6321 Equip maint-repairs/services

HVAC equipment

5,000

Jet bridges

6,000

Door repair - automatic entrance doors included

7,500

Other

1,950

Total equipment maintenance - repairs/service

\$ 20,450

6322 Equip maint-service contracts

Escalator

12,900

Elevator

12,305

Janitorial services

131,484

Jetbridge preventative

7,800

Fire safety

6,151

Water softener service (to include monthly rental and salt replacement)

2,280

Common use system

26,873

Security system

3,800

Pest control

1,260

Sanitizer service

3,000

Other

500

Total equipment maintenance-service contracts

\$ 208,353

6350 Equipment rental

High lift/boom

2,000

Wheel chair rental

9,900

Other

1,000

Total equipment rental

\$ 12,900

6410 Landscaping

General landscaping needs

1,500

Total landscaping

\$ 1,500

6480 Licenses, titles, & inspections

Liquor license renewal

2,900

State Fire Marshall, elevator, escalator, boilers

2,200

Other

1,000

Total license, titles & inspections

\$ 6,100

6510 Medical exams

\$ 300

6600 Other - Contractual services not itemized in other accounts.

\$ 500

Terminal Services Budget Justifications

6751 Telephone-cellular	<u>\$</u>	<u>480</u>
6752 Telephone-local		
IP phones		299
Internet services		11,173
Land lines		8,045
Total telephone - local	<u>\$</u>	<u>19,517</u>
6806 Customer care	<u>\$</u>	<u>2,000</u>
6850 Utilities		
Water		4,912
Sewer		6,068
Total utilities	<u>\$</u>	<u>10,980</u>
6950 Waste removal		
Debris and extra dumpster pick-ups		4,450
International rubbish removal		50,000
Total waste removal	<u>\$</u>	<u>54,450</u>
COMMODITIES		
7100 Building repair		
Materials used in connection with the maintenance of terminal building areas not covered by tenant leases.	<u>\$</u>	<u>15,000</u>
7140 Conferences & meetings		
Water rental and delivery		900
Miscellaneous		500
Total conferences & meetings	<u>\$</u>	<u>1,400</u>
7200 Equipment		
Security system - terminal/FIS		5,500
Total equipment	<u>\$</u>	<u>5,500</u>
7380 Other - Costs of commodities not itemized in other accounts.	<u>\$</u>	<u>1,000</u>
7540 Signage		
Miscellaneous		4,000
Total signage	<u>\$</u>	<u>4,000</u>
7600 Subscriptions		
TV Service- dish		2,100
Radio service - satellite		300
Volunter software program		288
Email and Office 365		150
Total subscriptions	<u>\$</u>	<u>2,838</u>
7660 Supplies-janitorial		
Consumable products		15,500
Total supplies-janitorial	<u>\$</u>	<u>15,500</u>
7750 Supplies-office	<u>\$</u>	<u>400</u>
7780 Supplies - other	<u>\$</u>	<u>1,500</u>

Business Development Department Summary

Business development staff have been actively engaged in discussions with numerous domestic and international airlines about service to and from RFD. In many cases the discussions have been on-going over that past few years. These conversations have been very positive, and staff fully expect a new destination to be announced in 2019.

RFD increased cargo operations and landed weight by over 50% in 2017 and the 2018 increase is trending towards 80%. RFD finished 2017 as the 22nd ranked US cargo airport and will break into the top 20 in 2018. Looking forward at 2019 RFD expects cargo growth to continue. With expanded ramp and cargo building space RFD is anticipating another large increase in landed weight.

Objectives

Continue to develop and grow awareness of the value of using the airport for Domestic/International passenger/cargo activity and any other support businesses.

- ➔ Identify appropriate locations for industrial, commercial and business development opportunities that advance long-term economic viability for the Airport and the local communities and are consistent with the future land use planning and development strategy.
- ➔ Maintain an inventory of vacant buildings/hangars space and land available for industrial and commercial development as well as the site-specific land description and utilities attributes of all Airport-owned properties and or buildings/hangars.
- ➔ Provide opportunities for Airport-related commercial development, such as hotels, retail, fast food and other commercial development that enhance economic development in the region and are compatible with Airport operations and maintenance.
- ➔ Promote a development strategy to attract cargo operations and storage by marketing current facilities plans for cargo operations.
- ➔ Develop a comprehensive passenger air service development plan to achieve >5% year over year growth.

Business Development Department Budget

CODE/LINE ITEM, Department 10	ACTUAL FYE14	ACTUAL FYE15	ACTUAL FYE16	ACTUAL FYE17	BUDGET FYE18	ESTIMATE FYE18	BUDGET FYE19	\$Chg/FY18 Budget	%Chg/FY18 Budget
PERSONNEL SERVICES									
5400 Insurance	\$ 14,672	\$ 17,757	\$ 45,707	\$ 43,080	\$ 36,330	\$ 37,712	\$ 42,223		
5500 Payroll taxes	8,816	9,274	17,907	15,072	16,640	15,236	16,499		
5560 Pension contribution	15,331	14,881	25,585	20,655	17,858	18,845	19,532		
5600 Salaries/wages	125,199	136,973	238,036	213,896	213,279	205,077	205,604		
5800 Workers compensation insurance	356	371	859	761	320	264	294		
TOTAL PERSONNEL SERVICES	164,374	179,256	328,094	293,464	284,427	277,134	284,153	(274)	-0.10%
CONTRACTUAL SERVICES									
6140 Conferences & meetings	13,853	14,099	10,457	17,026	13,590	13,500	16,645		
6150 Revenue guarantee	-	-	521,534	77,070	110,000	-	150,000		
6160 Consulting services	-	-	64,186	46,945	71,500	32,000	91,500		
6540 Membership dues	4,554	3,752	5,660	5,161	5,050	3,306	3,650		
6670 Permits & testing	1,021	-	-	-	-	-	-		
6730 Printing	-	952	-	-	-	-	-		
6751 Telephone-cellular	1,217	1,267	2,197	1,952	2,050	2,000	1,500		
6752 Telephone-local	617	605	851	702	650	572	600		
6800 Travel & transportation	14,276	19,183	18,261	29,829	24,015	25,355	24,770		
TOTAL CONTRACTUAL SERVICES	35,552	39,859	623,147	178,686	226,855	76,733	288,665	61,810	27.25%
COMMODITIES									
7140 Conferences & meetings	112	3,705	8,652	6,007	13,000	9,000	13,000		
7200 Equipment	447	1,451	131	295	-	-	1,900		
7600 Subscriptions	1,158	122	896	2,973	3,680	3,188	4,350		
7796 Supplies-promotional	-	429	2,858	-	-	-	-		
TOTAL COMMODITIES	1,718	5,708	12,537	9,275	16,680	12,188	19,250	2,570	15.41%
DEPARTMENT TOTAL	\$ 201,644	\$ 224,822	\$ 963,778	\$ 481,426	\$ 527,962	\$ 366,055	\$ 592,068	64,106	12.14%

Business Development Budget Justifications

PERSONNEL SERVICES

5400 Insurance

The Authority is partially self funded and estimates for this partial funding are incorporated into the annual costs noted below.

Premiums are based on number of family members. The average annual cost for the Authority at 80% is as follows:

Employee - \$7,157

Employee + Spouse - \$15,526

Employee + Children - \$14,667

Family - \$21,095

Dental insurance

The annual cost for dental is based on cobra rates as the program is self-funded.

Employee - \$474

Employee + One - \$852

Family - \$1,986

Life insurance

Life and AD&D insurance is provided to current employees. The benefit is 2.5 times an employee's base salary with life at \$.24/\$1,000 and AD&D at \$.035/\$1,000. Eligible retirees are also provided with a \$2,500 life insurance benefit.

Health	38,429
Dental	2,185
Life	1,610
Total employee insurance	<u>\$ 42,223</u>

5500 Payroll Taxes

FICA - 6.2% of base wage up to \$128,400	12,747
Medicare - 1.45% of base wage	2,981
State unemployment - 2.13% of the first \$12,960	770
Total payroll taxes	<u>\$ 16,499</u>

5560 Pension contribution

IMRF pension fund - 9.5%	<u>\$ 19,532</u>
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5600 Salaries

Includes 2 full time employees	<u>\$ 205,604</u>
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5800 Workers compensation insurance

	<u>\$ 294</u>
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CONTRACTUAL SERVICES

6140 Conferences & meetings

CNS partnership conference	3,000
Routes America	1,400
Allegiant planning conference	200
TIACA conference	6,500
Air service conference	1,800
NBAA Annual Conference	500
AAAE Annual Conference	800
AAAE Great Lakes Annual Conference	400
National Airports Conference	750
Jumpstart Airservice Conference	1,295
Total conferences & meetings	<u>\$ 16,645</u>

6150 Revenue guarantee

New destination	\$ 100,000
Apple	<u>\$ 50,000</u>
Total revenue guarantee	<u>\$ 150,000</u>

Business Development Budget Justifications

6160 Consulting services

Air Service research/planning	9,500
Airline research/analysis	20,000
Cargo airline consulting	50,000
Other	12,000
Total consulting services	<u>\$ 91,500</u>

6540 Membership dues

HKBA	50
TIACA	2,100
Air Forwarders Association	1,350
CACMA	150
Total membership dues	<u>\$ 3,650</u>

6751 Telephone-cellular

\$ 1,500

6752 Telephone-local

\$ 600

6800 Travel & transportation

Amounts include an estimate of \$550/trip airfare, lodging of \$229/night and M&I of \$75/day for domestic and \$2900/airfare, lodging \$350 and M&I of \$100/day for international.

CNS partnership conference - 3 days	3,360
TIACA - 3 days	3,360
Routes America (2 people) - 3 days	1,655
Allegiant planning conference (2 people) - 3 days	1,655
Air service conference (2 people)	1,655
NBAA Annual Conference	1,655
AAAE Annual Conference	1,655
AAAE Great Lakes Annual Conference	1,655
National Airports Conference	1,655
Jumpstart Airservice Conference	1,655
Airline meetings	3,310
Mileage	1,500
Total travel & transportation	<u>\$ 24,770</u>

COMMODITIES

7140 Conferences & meetings

Travel agent event - Apple	8,000
MAST attend - no booth (2 people)	2,500
Freight forwarders meeting	2,000
Other	500
Total conferences & meetings	<u>\$ 13,000</u>

7200 Equipment

Laptop	1,500
Accessories - monitor, docking station	400
Total equipment	<u>\$ 1,900</u>

7600 Subscriptions

Routes exchange website	3,000
Email and Office 365	1,350
Total subscriptions	<u>\$ 4,350</u>

Non-Operating Revenues and Expenses Budget

CODE/LINE ITEM	ACTUAL FYE14	ACTUAL FYE15	ACTUAL FYE16	ACTUAL FYE17	BUDGET FYE18	ESTIMATE FYE18	BUDGET FYE19
NON-OPERATING REVENUE							
9100 Interest income	\$ 16,183	\$ 5,300	\$ 3,335	\$ 14,532	\$ 3,000	\$ 20,942	\$ 15,000
9200 Taxes-property (operating levy)	3,123,289	2,909,105	2,787,502	2,763,791	2,894,611	2,863,368	2,954,052
9250 Taxes-corporate replacement	595,828	581,339	681,698	621,501	610,000	610,000	590,000
9280 AIP Funds Reimbursement	1,702,871	1,421,217	2,378,917	5,401,329	100,000	-	10,000
9260 Gain on sale of assets	20,980	69,178	17,203	30,597	25,000	6,100	25,000
9270 Passenger facility charges	512,191	466,839	495,649	497,802	510,469	510,000	511,140
9281 Current capital contributions	-	8,452,805	2,028,677	2,342,522	11,900,000	11,900,000	6,881,728
9285 Other agency grants	-	1,635,000	245,808	-	-	-	-
9300 Intergovernmental contributions	115,907	124,356	39,432	759,725	-	450,000	912,084
TOTAL REVENUE	6,087,249	15,665,139	8,678,221	12,431,799	16,043,080	16,360,410	11,899,004
NON-OPERATING EXPENSES							
9500 Interest expense	90,201	103,512	111,194	974,449	976,881	1,200,000	1,628,199
TOTAL EXPENSES	90,201	103,512	111,194	974,449	976,881	1,200,000	1,628,199
NET TOTAL	\$ 5,997,048	\$15,561,627	\$ 8,567,027	\$11,457,350	\$15,066,199	\$15,160,410	\$10,270,805

Non-Operating Revenues and Expenses Budget Justifications

NON-OPERATING REVENUE

9100 Interest income

Interest earned on all bank deposits and investments.	<u>\$ 15,000</u>
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9200 Taxes-property (operating levy)

Tax Levy Ordinance	<u>\$ 2,954,052</u>
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9250 Taxes-corporate replacement

Personal Property Replacement Tax (PPRT) revenue received from the Illinois Department of Revenue (estimate).	<u>\$ 590,000</u>
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9280 AIP reimbursement funds

Amounts reimbursed to the airport for previous projects.	<u>\$ 10,000</u>
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9281 Current capital contributions

Federal share of capital projects.	\$ 5,969,728
Amounts transferred from glycol pond reserves for capital contributions.	\$ 847,000
Amounts transferred from equipment reserves for capital contributions.	65,000
	<u>\$ 6,881,728</u>

9282 Intergovernmental revenues

Amounts received from city and county for debt interest repayment.	<u>\$ 912,084</u>
--------------------------------------------------------------------	-------------------

NON-OPERATING EXPENSES

9500 Interest expense

Total interest expense	<u>\$ 1,628,199</u>
------------------------	---------------------

OTHER CAPITAL CONTRIBUTIONS

9260 Funds from auctioned equipment

	<u>\$ 25,000</u>
--	------------------

9270 Passenger facility charges

Passenger facility charge (\$4.50 less expenses)	<u>\$ 511,140</u>
--------------------------------------------------	-------------------

Capital Improvement Program Summary

The Capital Improvement Program (CIP) is a five-year program that provides for critical improvements and asset preservation. The program includes projects that address federal security requirements, airfield safety, enhanced revenue potential, rolling equipment replacement, asset preservation and completion of the newly updated Master Plan.

Airside Projects	\$4,333,703
Terminal Projects	2,207,360
Maintenance Projects	980,000
Operations Projects	25,000
Total Capital Improvements	<u>\$7,546,063</u>

Funding sources for the projects and replacements include Airport Improvement Program (AIP) grants, Passenger Facility Charges (PFC), allocated reserve funds, the balance of the capital accounts, operating revenues and short term borrowings where appropriate.

Projected FYE19 CIP capital expenditures are as follows and detail of individual items to follow. Operating impacts shown include projected decrease in annual expenses realized by implementing the project.

Airside Projects

Airside projects include improvements for runways, taxiways, aprons, and buildings inside the airfield fence.

Expand Northwest Cargo Apron – Phase I and IIA

FAA AIP Project – Expand cargo apron to allow for additional parking due to increased cargo activity. The Authority's share is 5%. The potential growth of current cargo operations will determine increase in landing and parking revenues as well as increases in maintenance costs.

Project Cost: Authority share only	\$174,335
Total Project Cost	\$3,312,368
Operating Impact	Not Yet Determined

Terminal Projects

Projects related to any areas from terminal parking lots to the jet bridges and everything in between.

Terminal Facility Capacity Expansion

FAA AIP Project - As passenger service has grown the capacity of the Terminal building is stretching the limits of the facility. During our peak travel times lines are long and create safety issues and reduce our hassle free environment. These modifications will allow us to process more passengers in a timely manner. The total operating impact of the four-year project has not yet been fully determined.

Project Cost: Authority share only	\$200,000
Total Project Cost	\$2,207,360
Operating Impact	Not Yet Determined

Capital Improvement Program Summary (continued)

Maintenance Projects

Maintenance projects for the various equipment and maintenance needs at the airport.

Parking Lot Improvements

Improvements to paid parking lot to include fencing, landscaping, striping, lighting and additional equipment.

Total Project Cost	\$200,000
Operating Impact – reduction in staff time spent on maintenance	\$4,200

Hot Tar Machine

Hot tar machine to replace one purchased in 1997. This equipment will allow RFD staff to spend less time on repair of the old machine and be more efficient in ...

Total Cost	\$65,000
Operating Impact – annual reduction repair costs, increased staff efficiency	

Snow Removal Equipment

Replacement SRE for 20 year old plows and blowers that will be replaced with updated equipment. Total budget \$650,000, airport share \$65,000

Project Cost: Authority share only	\$65,000
Total Project Cost	\$715,000
Operating Impact – annual maintenance costs reduction	\$3,500

Operations Projects

Operations projects necessary to maintain adequate safety and security at the airport.

Move Operations Center to Terminal

Relocation of offices and purchases of new furniture and equipment to allow the Operations department to relocate to the terminal. Offices are being built as part of the terminal expansion project.

Total Cost	\$25,000
Operating Impact	N/A

Five-Year Capital Improvement Projects

Future capital improvements include all items tentatively approved in the five-year Transportation Improvement Program. Additionally, the Authority expects to commit excess funds from operations to provide for the local match requirement of federal funding. Additional funds will be used to complete capital projects that are ineligible for federal funding.

Capital projects are prioritized based on availability of federal funding, condition of assets, safety concerns and security related needs. Capital improvements are evaluated to determine the effect on operating and maintenance costs. Based on the current Transportation Improvement Program and an

assessment of needs, below is a tentative schedule of the anticipated capital improvements for the next five fiscal years.

DESCRIPTION	BUDGET FYE19	ESTIMATED FYE20	ESTIMATED FYE21	ESTIMATED FYE22	ESTIMATED FYE23
GRAA CONTRIBUTIONS					
Airside Projects	\$ 1,021,335	\$ 2,385,050	\$ 637,500	\$ 957,500	\$ 580,000
Landside Projects	-	340,000	553,000	-	-
Terminal Projects	200,000	397,691	-	-	-
Operations Projects	25,000	75,000	120,000	30,000	-
Maintenance Projects	330,000	503,500	292,000	227,000	227,000
GRAA TOTAL	1,576,335	3,701,241	1,602,500	1,214,500	807,000
FEDERAL AND STATE GRANTS					
Airside Projects	3,312,368	44,746,950	8,887,500	17,032,500	7,070,000
Landside Projects	-	900,000	810,000	-	-
Terminal Projects	2,007,360	-	-	-	-
Operations Projects	-	-	810,000	-	-
Maintenance Projects	650,000	1,170,000	-	585,000	585,000
FEDERAL TOTAL	5,969,728	46,816,950	10,507,500	17,617,500	7,655,000
ESTIMATED TOTAL	\$ 7,546,063	\$ 50,518,191	\$ 12,110,000	\$ 18,832,000	\$ 8,462,000

Exhibit 1

Tentative Budget and Appropriation Ordinance GREATER ROCKFORD AIRPORT AUTHORITY RESOLUTION NO. 18-14

WHEREAS, the Greater Rockford Airport Authority (the "Authority") is a municipal corporation located in Winnebago County, Illinois, duly created, organized, and existing under an Act of the General Assembly of the State of Illinois entitled the "Airport Authority's Act," as amended, 70 ILCS 5, et. seq., and having the powers, objects, and purposes provided under said Act;

WHEREAS, in accordance with 50 ILCS 330/3, the Authority is required to adopt a Tentative Budget and Appropriation Ordinance for the fiscal year, beginning May 1, 2018 and ending April 30, 2019;

WHEREAS, in accordance with 50 ILCS 330/3, the Authority is required to place on file at the Administrative offices of the Authority for public inspection a copy of the Tentative Budget and Appropriation Ordinance; and

WHEREAS, in accordance with 50 ILCS 330/3, 35 ILCS 200/18-50, and 35 ILCS 200/23-35, the Authority is required to call for a public hearing on the Tentative Budget and Appropriation Ordinance, and publish notice of said public hearing.

NOW, THEREFORE, be it resolved by the Chairman and the Board of Commissioners at the Authority, Winnebago County, State of Illinois, that:

1. The Authority hereby adopts the Tentative Budget and Appropriation Ordinance for the fiscal year, beginning May 1, 2018 and ending April 30, 2019 a copy of which is on file at the Administrative Offices of the Authority;
2. The Authority hereby directs its staff to place on file at the Administrative Offices of the Authority for public inspection a copy of the Tentative Budget and Appropriation Ordinance for the fiscal year, beginning May 1, 2018 and ending April 30, 2019 a copy of which shall be placed on file at least thirty (30) days prior to the date set by the Authority for the public hearing;
3. The Authority hereby directs its staff to call for and hold a public hearing on the Tentative Budget and Appropriation Ordinance on April 26, 2018 at 5:00 p.m. at the Administrative Offices of the Authority;
4. The Authority hereby directs its staff to publish in a newspaper of general circulation notice of the public hearing on the Tentative Budget and Appropriation Ordinance, provided that said notice shall be published at least thirty (30) days prior to the date set by the Authority for the public hearing.

Exhibit 1 (continued)

Tentative Budget and Appropriation Ordinance

RESOLUTION NO. 18-14

5. The Authority's staff is hereby authorized and directed to take any additional actions necessary to effectuate the above Resolution in accordance with applicable Illinois statutory law.

Commissioner Dal Santo moved, seconded by Commissioner Copeland that Resolution Number 17-01 be adopted.

	<u>Vote</u>		<u>Vote</u>
Paul Cicero	<u>aye</u>	Patrick Derry	<u>absent</u>
Kenneth Copeland	<u>aye</u>	Tom Myers	<u>aye</u>
Tom Dal Santo	<u>aye</u>	Jon Elliott	<u>aye</u>
Pat Agnew	<u>aye</u>		

ADOPTED this 22rd day of March, 2018 by the Chairman and the Board of Commissioners of the Greater Rockford Airport Authority, Winnebago County, Illinois.

(Signed March 22, 2018)

Tom Dal Santo, Assistant Secretary

ATTEST:

(Signed March 22, 2018)

Kenneth Copeland, Treasurer

Exhibit 2

Chicago Rockford International Airport (RFD) Rates and Charges Effective August 1, 2016

Terminal Usage fee (includes use of ramps, jet way, baggage claim & public safety fee)

Signatory and/or scheduled Airlines	\$65.00
Non-Signatory and/or charter flights	\$130.00

Ticket Counter/Computer Use fee (per enplanement) \$0.20

Passenger Facility Charge (PFC) (per enplanement) \$4.50

Ticketing, passenger check-in and airline station services
(excludes below wing) (per seat) \$2.25

Landing Fee

Greater than 120,000,000 pounds annual landed weight \$1.934 /1000lbs

Less than 120,000,000 pounds annual landed weight \$1.964 /1000lbs

Landing fees will only apply to revenue producing commercial cargo and passenger air carriers with a minimum weight of 28,000 pounds.

Fuel Flowage Fees

Class A

Permit	\$1,125.00
Flowage Fee	\$0.06/gallon

Class B

Permit	\$600.00
Flowage Fee	\$0.08/gallon

Class C

Permit	\$375.00
Flowage Fee	\$0.08/gallon

Flowage fee applies to all non-revenue producing aircraft fuelings.

Commercial operating permit /per square foot \$0.28

Commercial operating permit/Nontenant (base fee) \$250.00

Commercial operating permit/Nontenant (additional per badge fee) \$250.00

International rubbish fee

4x4 hopper (200 gallons)	\$410.00
Black cart (60 gallons)	\$105.00
Gray cart (40 gallons)	\$85.00

User is ultimately responsible for fines incurred as of the result of use (IEPA, CBP, Dept of Agriculture, etc)

Badging Fees

Secure, Sterile & AOA w/SIDA endorsement

Original issue badge	\$100.00
Badge renewal	\$50.00
1st lost badge with re-issue	\$250.00
2nd lost badge with re-issue	\$500.00
3rd lost badge with re-issue	\$1,000.00

Exhibit 2 (continued)

Badging Fees

AOA

Original issue badge	\$50.00
Badge renewal	\$25.00
1st lost badge with re-issue	\$150.00
2nd lost badge with re-issue	\$300.00
3rd lost badge with re-issue	\$600.00
Not returned or lost badges (all types)	\$250.00
Fingerprint fee (non-badged)	\$35.00
Fingerprint fee plus required follow up investigation if necessary	\$55.00/hr

Fines

Security system false alarm	\$25.00
Security system false alarm requiring an Operations response	\$75.00
Unauthorized SIDA Entry/Exit (per occurrence)	\$100.00
Improper use of RFD ID media - (Includes ID media revocation)	\$150.00
Operation of an out of service vehicle on RFD AOA	
Non-movement area (per occurrence)	\$250.00
Premise key (Lost key -Cost to re-key all locks affected including labor to disassemble if necessary.)	
Airfield incursions/TSA violations (Violator is responsible for all costs/fines levied to RFD by FAA/TSA)	

Service Fees

Escort fee per 1/2 hour minimum (\$50/hour)	\$25.00
Maintenance fee for snow removal (minimum 1 hour)	\$75.00/hr
Equipment Usage fee/per hour plus labor fee	\$125.00/hr
RFD labor fee -/per hour plus parts/equipment	
Base	\$50.00/hr
Skilled	\$65.00/hr
Administration	\$75.00/hr
Ground Security Coordinator fee (1/2 hour minimum)	\$60.00/hr

Aircraft Parking Fee(excluding active overnight aircraft)

Fee will be charged after 24hours. Based on square feet of aircraft – length by wing span. The following fees will not apply to general aviation or corporate aircraft. Per day rates.

Group 1	\$4.66
Group 2	\$11.49
Group 3	\$35.24
Group 4	\$60.35
Group 5	\$87.14
Group 6	\$125.99

Exhibit 3

Acronym and Glossary of Terms

AAAE - American Association of Airport Executives

ACI-NA - Airports Council International – North America

Accrual Basis of Accounting- This basis of accounting attempts to record financial transaction in the period they occur rather than recording them in the period they are paid.

AD&D - Accidental Death and Dismemberment

AFR - Annual Financial Report

Aircraft Operation- The landing or take off of an aircraft.

Airline Load Factor – The percentage of seats occupied on an aircraft.

Airport – Refers to the Chicago Rockford International Airport.

Airport Improvement Program (AIP) – A Federal Aviation Administration program periodically reauthorized by Congress which distributes the proceeds of the federal tax on airline tickets to airports through grants for eligible construction projects and land acquisition.

Airport Layout Plan (ALP) – A blue print of an airport required by the Federal Aviation Administration which shows current and future airport development.

Airport Master Plan – An airport master plan represents the approved actions to be accomplished for phased development of the airport. Master plans address the airfield, terminal, landside access improvements, modernization and expansion of existing airports and establish the premise for site selection and planning for a new airport.

Airport Operation - One landing or takeoff

Airside – The airfield side of an airport used by aircraft, runways, taxiways, and aircraft parking aprons.

Amortization – (1) The gradual reduction of a debt by means of equal periodic payments sufficient to meet current interest and liquidate the debt at maturity. (2) The process of spreading the costs of an intangible asset over the expected useful life of the asset. (3) The deduction of capital expenses over a specific period of time. Similar to depreciation, it is a method of measuring the “consumption” of the value of long-term assets like equipment and buildings.

ARFF – Aircraft Rescue and Fire Fighting.

The Authority – Refers to the Greater Rockford Airport Authority

Balanced Budget – a budget where the revenues equals expenditures.

Exhibit 3 (continued)

BOD - Biochemical Oxygen Demand

Bond – A written promise to pay a specified sum of money, called principal, at a specified maturity date along with periodic interest paid at a specified percentage of the outstanding principal. They are usually used for long-term debt.

Budget – A financial plan for a specified period of time (fiscal year) that matches planned expenses and revenues with planned services.

Budget Calendar – The schedule of key dates or milestones that the Authority follows in the preparation, adoption and administration of the annual budget.

BFYE – Budgeted Fiscal Year End

Capital Budget - Budgeted expenditures for capital improvements, capital outlay, debt service and grant service that are in excess of \$2,000 and have a life expectancy in excess of 2 years.

Capital Improvement Program – A rolling, near-term five year program that provides for critical needed improvements and asset preservation. The program includes projects that address federal security requirements, improved airfield safety and enhance revenue potential.

Cash Equivalent – In the context of cash flows reporting, short term highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Cost Per Enplanements – The airlines' airport cost, landing fees and rents, divided by the total number of passengers enplaned at the airport.

CPE - Continuing Professional Education

CPI-W - Consumer Price Index – Urban Wage Earners & Clerical Workers

CY – Calendar Year

Departments – An area of the Airport to which a revenue or expense is attributed, e.g., airfield, terminal, etc.

Deplaning Passenger – An arriving passenger.

Depreciation – Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of physical elements, inadequacy or obsolescence.

Enplaning Passenger – A departing Passenger.

Exhibit 3 (continued)

Enterprise Fund – Established to account for operations, including debt service that are financed and operated similarly to private businesses. The intent is the service is self-sufficient, with all costs supported predominantly by user charges.

FAR – Federal Aviation Regulations

FAS - Fixed Asset Schedules

FASB – Financial Accounting Standards Board

Federal Aviation Administration (FAA) – A component of the Department of Transportation with primary responsibility for the safety of civil aviation.

Federal Grants – FAA’s Airport Improvement Program provides both entitlement and discretionary grants for eligible airport projects. Entitlement funds are determined by a formula according to enplanements at individual airports. The authority applies for discretionary grants from the FAA through a Letter of Intent (LOI) process. Each LOI represents an intention to obligate funds from future federal budget appropriations. The issuance of a Letter of Intent is subject to receipt of Congressional appropriations for grants to airports, and does not itself constitute a binding commitment of funds by the FAA. For planning purposes, the amounts in approved LOI from FAA are used by the Authority as the estimate of federal discretionary grants to be received.

FIS - Federal Inspection Service

Fiscal Year – A 12 month period, other than a calendar year, used for financial reporting purposes. The GRAA’s fiscal year begins May 1st and ends April 30th.

Fixed Base Operator (FBO) - Businesses on airports that sell fuel to private plane owners, provide aircraft parking, as well as aircraft maintenance and mechanical services.

Flight Information Displays (FID) – Electronic displays to inform passengers of the status of their flight, such as arrival time, and terminal building gate number.

FOD – Foreign Object Debris or trash on the airfield.

FTZ - Foreign Trade Zone

FYE - Fiscal Year End

GAAP – General Accepted Accounting Principles are uniform minimum standards and guidelines for accounting and financial statement reporting.

GASB – Governmental Accounting Standards Board, the body responsible for establishing GAAP for governmental entities.

General Aviation (GA) – The activities of privately owned aircraft that are not used for commercial purposes, such as the movement of passengers or freight.

Exhibit 3 (continued)

GFOA - Government Finance Officers Association

GO - General Obligation (Bonds)

GRAA - Greater Rockford Airport Authority

ILS - Instrument Landing System

IMRF - Illinois Municipal Retirement Fund, retirement fund for all Authority employees

Infrastructure - Airport runways, taxiways, aprons and utility systems

INS - Immigration and Naturalization Service

IPAA - Illinois Public Airports Association

Jet Bridge – A mechanical tunnel used by passengers to pass from the terminal building to an aircraft.

Landed Weight – The maximum gross certificated landed weight of an aircraft, or all aircraft landing at an airport in a fiscal year, which is not dependent on the number of passengers on board.

Landing fee – The rate charged by an airport to commercial aircraft operators per thousand pounds of landed weight.

Landside – All areas of land owned and maintained by the GRAA outside of the airfield areas perimeter fence.

M&I - Meals and Incidentals

Non-Airline Revenue – Airport revenue earned from sources other than airlines, such as concessions revenues: Merchandise, Food and Beverage, Rental Car, etc. Airports try to maximize non-airline revenue to help reduce the amounts they collect from the airlines.

Non Signatory Airline – Airlines that have not signed an agreement with airport committing to rent an airport leasehold for a fixed period of time.

OTC/DDEC - Oshkosh Training Center/Diesel Diagnostic Electronic Components

Part 107 – A section of the Federal Aviation Regulations having to do with an airport operator's responsibilities for airport security.

Part 139 – A section of the Federal Aviation Regulations having to do with the certification of an airport's airfield.

Part 150 Study – A noise study defined by a section of the Federal Aviation Regulations, that when completed, makes an airport eligible for noise insulation and related land acquisition grants. The Study produces two documents, the Noise Exposure Map and the Noise Compatibility Program.

Exhibit 3 (continued)

Passenger Facility Charge (PFC) – A \$4.50 charge (net \$4.39 to Airport) attached to each ticketed passenger that boards an airplane at the Airport. Certain types of passengers, including military, are excluded from the Passenger Facility Charge.

PEBSO - Public Employees Benefit Services Corporation, optional 457 deferred compensation for employees

Proprietary Fund – One of three Fund classifications established by the GAAP standards. This Fund is used to account for funds for operations which are managed in a manner similar to private business. Unlike governmental funds, net income is determined in Proprietary Funds. The two types of Proprietary Funds are Enterprise and Internal Service Funds.

RFD- The FAA three letter identifier for the Chicago Rockford International Airport.

RWY – Runway

Security Identification Display Area (SIDA) – Secure areas of the airport in which identification badges are required to be displayed.

Signatory Airline – Airlines that have signed an agreement with an airport committing to rent an airport leasehold for a fixed period of time.

SMS – Safety Management System

SRE - Snow Removal Equipment

T-Hangar – A small hangar that resembles a “T” when viewed from above. T hangars are placed next to each other, and interlocked back to back, to maximize the number that can be placed in an area which minimizes the land rental component of their cost.

Transportation Security Administration (TSA) – A component of the Department of Transportation with primary responsibilities for the security of civil aviation.

TSS - Total Suspended Solids

TXY – Taxiway

UPS - United Parcel Service

Exhibit 4

Statistics

Airport Authority Area	Located entirely within Winnebago County, Illinois, the Authority Area includes, Rockford, Machesney Park, Loves Park, Cherry Valley, Roscoe, New Milford and some unincorporated areas		
Airport Location	Southwest quadrant of the City of Rockford 4 miles south of downtown Rockford, IL 80 miles WNW of O’Hare International Airport		
Access	Interstate 90 and 39 U.S. Highway 20 Illinois Route 2 and 251		
Area	3,000 acres		
Elevation	736 ft. above sea level LAT 42 11” 36” (42 degrees, 11 minutes and 36 seconds) LNG 89 05’ 50” (89 degrees, 05 minutes and 50 seconds)		
Airport Code	RFD		
Runways	Runway 1/19, 8,200’ X 150’, ILS Category I Runway 7/25, 10,000’ x 1150’, ILS Category II/III		
Tower	TRSA 24/7-365		
FBOs	Emery Air, Inc., North American/Pride		
Scheduled Passenger Service	Allegiant Airlines and Apple Vacations		
Terminal	Airlines		2,211 sq. ft.
	Tenants		4,443 sq. ft.
	Public/Common		30,433 sq. ft.
	Mechanical		<u>7,714 sq. ft.</u>
	Total		44,801 sq. ft.
	Number of Passenger Gates		5
	Number of Loading Bridges		5
	Number of Concessionaires in terminal		1
	Number of rental car agencies in terminal		3
Car Rental Agencies	Avis, Hertz and National/Alamo		
Parking	Short-Term	1,477	
	Rental Cars	190	
	Employees	54	

Exhibit 4 (continued)

Cargo	UPS Buildings	670,000 sq. ft.
	International Cargo Building	70,000 sq. ft.
	Cross Dock Building	27,600 sq. ft.
	Cargo Building	21,000 sq. ft.
International	Customs/Immigration Federal Inspection Service Facility	
Service Area	Population within Authority Area, 227,773	
	Population within 25 miles, 740,000	
	Population within 60-minute drive, 2.5 million	
	Population within 90-minute drive, 8.4 million	

Airport Authority Area Equalized Assessed Valuation

		% Change from Prior Year
2013	\$2,806,901,362	
2014	\$2,648,100,021	-5.66%
2015	\$2,593,502,000	-2.06%
2016	\$2,624,282,000	1.19%
2017	\$2,680,628,000	2.15%

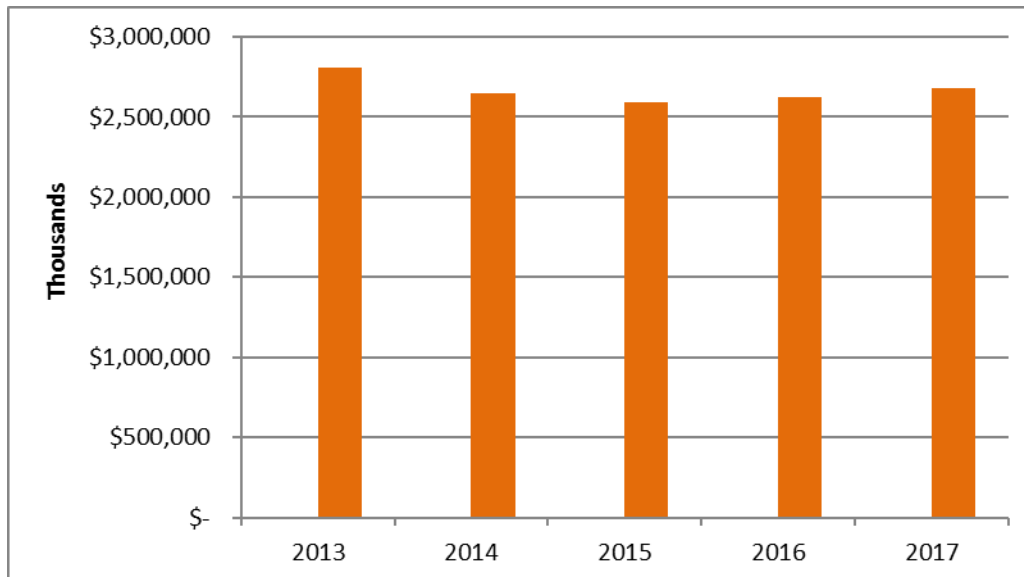


Exhibit 4 (continued)

Bond Rating	1999 A3
	2000 A2
	2001 A2
	2002 A2
	2003 A1

Based Aircraft	Single engine	69
	Multi engine	17
	Jet	20
	Helicopters	<u>3</u>
	Total	109

Airport Operations

	<u>CY13</u>	<u>CY14</u>	<u>CY15</u>	<u>CY16</u>	<u>CY17</u>
Air Carrier	8,341	8,016	7,982	8,898	13,567
GA Local	12,470	8,631	9,525	6,864	9,051
GA					
Itinerant	16,388	14,050	15,274	15,251	15,151
Military	736	1,577	1,886	1,955	1,693
Total	37,935	32,274	34,667	32,968	39,462

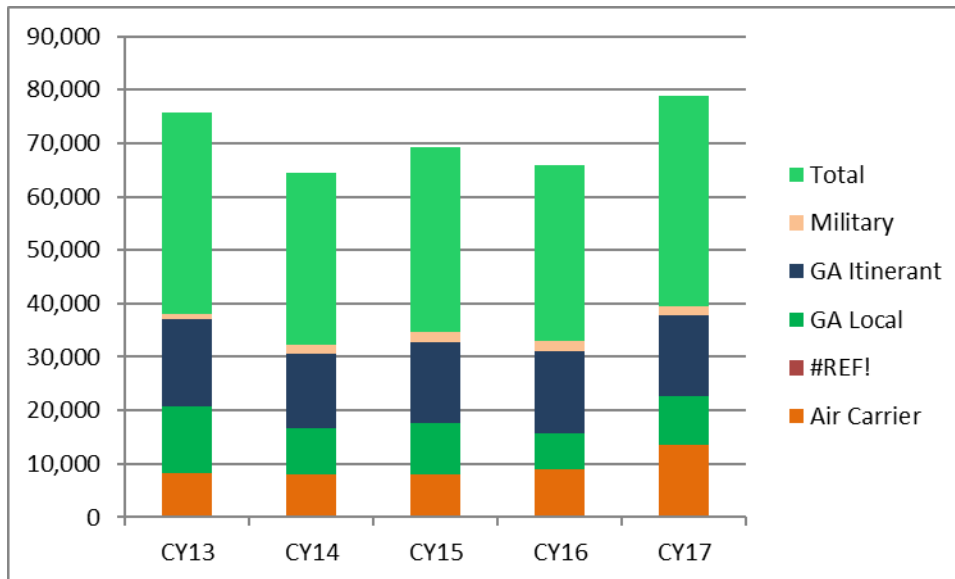
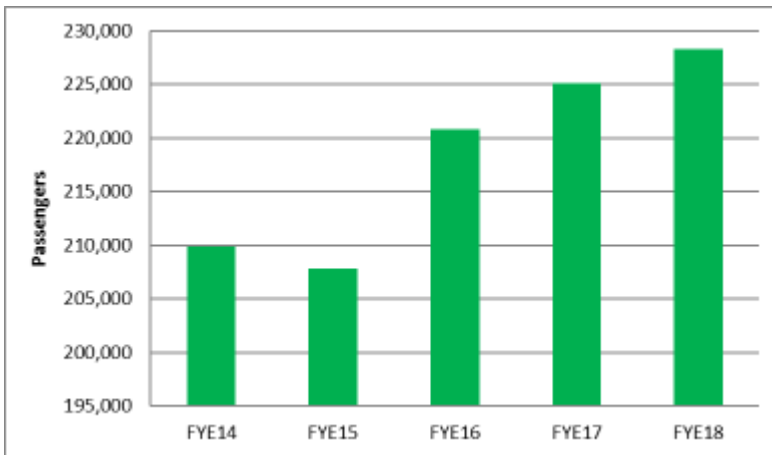


Exhibit 4 (continued)

Passengers

		% Change from Prior Year
FYE14	209,885	
FYE15	207,780	-1.00%
FYE16	220,826	6.28%
FYE17	225,085	1.93%
FYE18	228,276	1.42%



Cargo Aircraft Landed Weight (lbs.)

		% Change from Prior Year
FYE14	779,424,820	
FYE15	788,127,660	1.12%
FYE16	806,624,170	2.35%
FYE17	1,028,789,640	27.54%
FYE18	1,668,351,840	62.17%

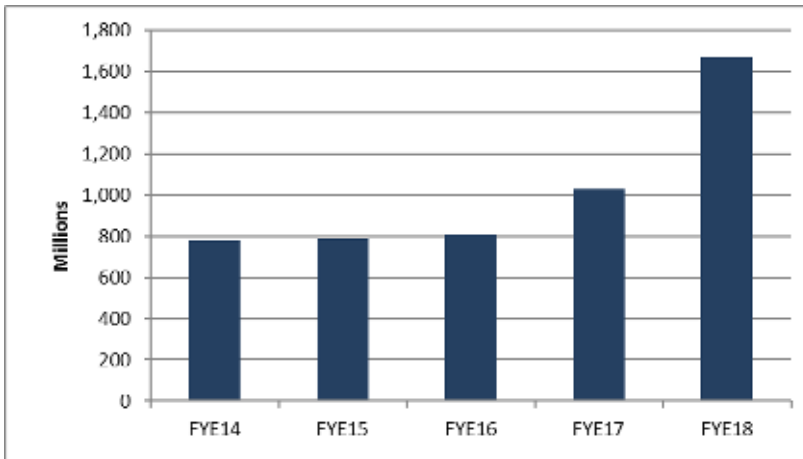
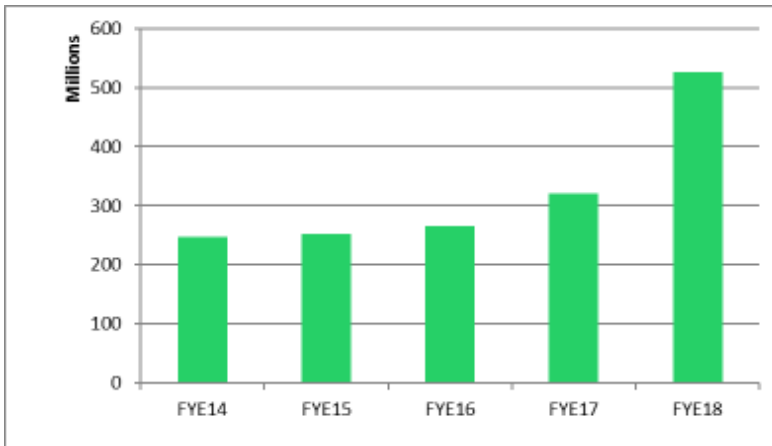


Exhibit 4 (continued)

Cargo Enplaned and Deplaned (lbs.)

		% Change from Prior Year
FYE14	246,954,308	
FYE15	252,084,168	2.08%
FYE16	265,175,479	5.19%
FYE17	320,413,536	20.83%
FYE18	526,264,541	64.25%



Fuel Flowage (gallons)

		% Change from Prior Year
FYE14	9,744,711	-22.36%
FYE15	9,799,912	0.57%
FYE16	10,967,938	11.92%
FYE17	13,104,477	11.92%
FYE18	17,957,741	63.73%

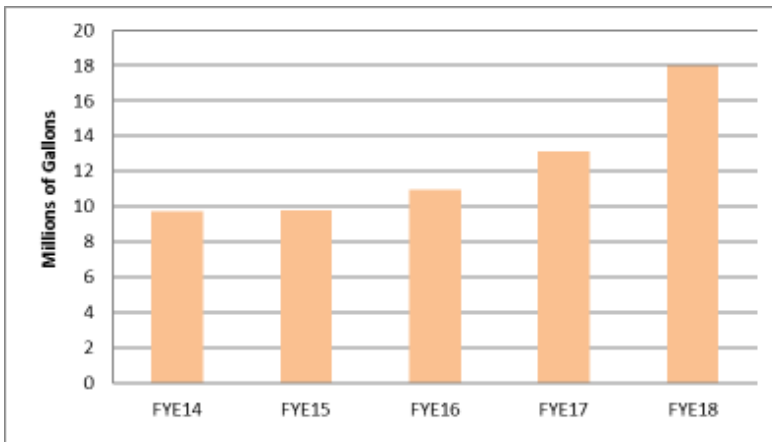


Exhibit 5

ORDINANCE NO. 18-01

FISCAL YEAR 2019 BUDGET AND APPROPRIATION ORDINANCE

CERTIFICATE

I, PAUL CICERO, Chairman of the Board of Commissioners of the Greater Rockford Airport Authority, Winnebago County, Illinois (the "**Authority**"), a municipal corporation of the State of Illinois, certify that the attached is a true and complete copy of an Ordinance entitled:

"GREATER ROCKFORD AIRPORT AUTHORITY BUDGET AND APPROPRIATION ORDINANCE FOR THE FISCAL YEAR BEGINNING May 1, 2018 AND ENDING April 30, 2019,"

unanimously passed at a regular meeting of the Board of Commissioners (the "**Board**") of the Authority at which a quorum of the Board was present, and held at the offices of the Authority at 60 Airport Drive, Rockford, Illinois, on May 31, 2018 having complied with the provisions of the Open Meetings Act (5 ILCS 120/1 *et. seq.*).

I further certify that there have been no amendments or revisions to said Ordinance, and that it is now in full force and effect.

IN TESTIMONY WHEREOF, I have set my hand and affixed the corporate seal of the Authority this 31st day of May 2018.

[SEAL]

(signed May 31, 2018)
Paul Cicero
Chairman, Board of Commissioners
Greater Rockford Airport Authority

Exhibit 5 (continued)

ORDINANCE NO. 18-01

GREATER ROCKFORD AIRPORT AUTHORITY BUDGET AND APPROPRIATION ORDINANCE

FOR THE FISCAL YEAR
BEGINNING May 1, 2018 AND ENDING April 30, 2019

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE GREATER ROCKFORD AIRPORT AUTHORITY, WINNEBAGO COUNTY, ILLINOIS, AS FOLLOWS:

Section 1. Adoption of Budget

The Tentative Budget, as previously presented, is adopted as the Budget for the Greater Rockford Airport Authority, Winnebago County, Illinois, the "Authority," and is attached hereto and incorporated herein by reference.

The amounts specified are the maximum estimated for probable expenditure or commitment prior to April 30, 2018, and there is included in the appropriated amounts funds derived from other sources than local taxation, and which may be spent for the benefit of the Authority without actually being received and expended by it.

All unexpected balance(s) of any item or items of any general appropriation made by this Ordinance may be expended in making up any deficiency in any item or items in the same general appropriation made by this Ordinance.

Placed on file for Public Inspection	March 23, 2018
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Notice of Public Hearing Published on	April 28, 2018
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Public Hearing held (at 5:00 p.m. Central Daylight Savings time, pursuant to Notice)	May 31, 2018
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Section 2. Appropriations.

For the fiscal year ending April 30, 2019, there is hereby appropriated for the corporate purposes of the Greater Rockford Airport Authority the total sum of \$20,262,528 which sum of money is deemed necessary to pay the costs of operating and maintaining the Greater Rockford Airport, and other expenses of the Authority, the purposes of each such appropriation being specified in the attached Budget document.

Exhibit 5 (continued)

Section 3. Filing with County Clerk.

That a certified copy of this Ordinance shall be filed with the County Clerk on or before June 30, 2018 by the financial officer of the Authority.

Section 4. Conflicting Orders, Resolutions or Ordinances.

That all orders, resolutions or ordinances in conflict herewith are repealed insofar as such conflict exists.

Section 5. Effective Date.

This Ordinance shall be effective following its passage by the Board and upon its approval by the Chairman of the Board.

Moved for adoption by Commissioner Derry and seconded by Commissioner Dal Santo.

Roll Call

Paul R. Cicero	<u>aye</u>	Kenneth Edward Copeland	<u>aye</u>
Thomas DalSanto	<u>aye</u>	Patrick Derry	<u>aye</u>
Thomas Myers	<u>aye</u>	Jon Elliott	<u>absent</u>
Pat Agnew	<u>absent</u>		

Passed and approved by the Board of Commissioners of the Greater Rockford Airport Authority on May 31, 2018.

(signed May 31, 2018)
Paul Cicero
Chairman, Board of Commissioners
Greater Rockford Airport Authority

ATTEST:

(Signed May 31, 2018)
Patrick Derry
Secretary, Board of Commissioners
Greater Rockford Airport Authority

Exhibit 5 (continued)

ORDINANCE NO. 18-01

2017-2018 BUDGET AND APPROPRIATION ORDINANCE

CERTIFICATE

I, Patrick Derry, Treasurer of the Board of Commissioners of the Greater Rockford Airport Authority, Winnebago County, Illinois (the "**Authority**"), a municipal corporation of the State of Illinois, certify that I am Treasurer of the Board of Commissioners of the Authority and that attached is an estimate prepared by me for the revenues, by source, anticipated to be received by the Authority during such fiscal year of the Authority, pursuant to *50 ILCS 330/3*, as amended.

IN TESTIMONY WHEREOF, I have set my hand and affixed the corporate seal of the Authority this 31st day of May, 2018.

[SEAL]

(Signed May 31, 2018)

Patrick Derry
Treasurer, Board of Commissioners
Greater Rockford Airport Authority

Exhibit 5 (continued)

ESTIMATED REVENUES BY SOURCE FISCAL YEAR 2019

EXPECTED CASH FLOW DURING THE YEAR:

SOURCES

Operating Budget Revenue	\$ 8,416,742
Non-Operating Revenue	630,000
Tax Levy	2,954,052
AIP Fund Reimbursement	10,000
Passenger Facility Charges	511,140
Other Financing Sources	<u>7,793,812</u>
Total Sources	\$20,315,746
Beginning Fund Balance, FY17	<u>7,532,025</u>
Total Sources and Fund Balance	<u>\$27,847,771</u>

USES

Operating Expenditures	\$ 8,961,231
Non-Operating Expenditures	1,628,199
Debt Service	2,127,035
Capital Expenditures	<u>7,546,063</u>
Total Uses	\$20,262,548
Ending Fund Balance, FY18	<u>7,588,243</u>
Total Uses and Ending Fund Balance	<u>\$27,847,771</u>



Greater Rockford Airport Authority
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