

Greater Rockford Airport Authority
Rockford, Illinois
Fiscal Year 2007 Annual Budget and Appropriations Ordinance



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Mission Statement

To exceed the needs of customer and the regional community by providing facilities for passenger, cargo, corporate, general and military aviation. The Authority will provide safe, convenient, efficient, and economically self-sustaining aviation related infrastructure to promote economic development of the region.

Vision

To provide a world-class airport and transportation infrastructure which is the most efficient, economically self-sustaining, safe, convenient and cost competitive transportation facility in the region.

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April 14, 2006

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 April 13, 2006. Following the Authority's mission statement, the fiscal year 2007 budget was developed under the premise that the mission of the Authority is to exceed the needs of the customer and the regional community by providing facilities for passenger, cargo, corporate, general and military aviation. The Authority will provide a safe, convenient, efficient and economically self-sustaining aviation related infrastructure to promote the economic development of the region.

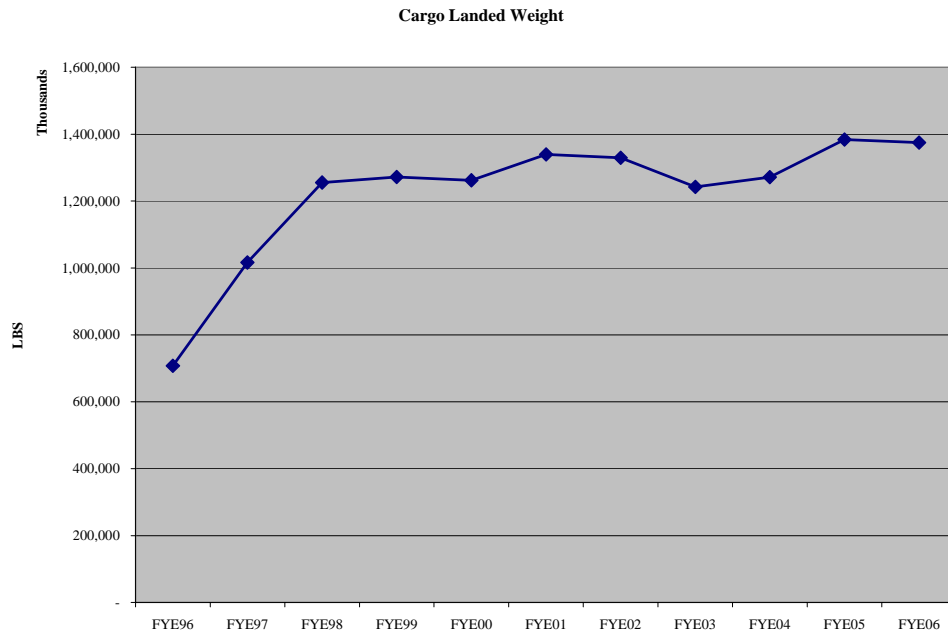
Fiscal year 2007 is going to be a year of significant growth. Currently RFD is one of the fastest growing airports in the United States and we have plans to continue this trend. This growth is planned for all areas including passenger airlines, cargo and capital development. With the strategic planning sessions to begin in the first quarter of the year we will have the ability to further define these long-term business objectives

Significant changes to the fiscal year 2007 budget include the revenues and expenses for an Airshow scheduled for September 22, 23 and 24, 2007. The Airshow is projected to have 90,000 attendees over the three day period, this estimate in part due to the United States Air Force Thunderbirds performing. Other significant change was the addition of revenues from two grants received in fiscal year 2006 that will be received in 2007. Operating expense will have the largest increases in the area of personnel, as noted in subsequent sections, with the addition of nine new staff to the Operations and Facility Department. This is part of the plan to operate 24 hours a day, seven days a week.

Overview

The Authority is one of the oldest airport authorities in the United States. Formed in 1946, subsequent to enabling legislation, the Authority has four entities who appoint a seven-member Board of Commissioners.

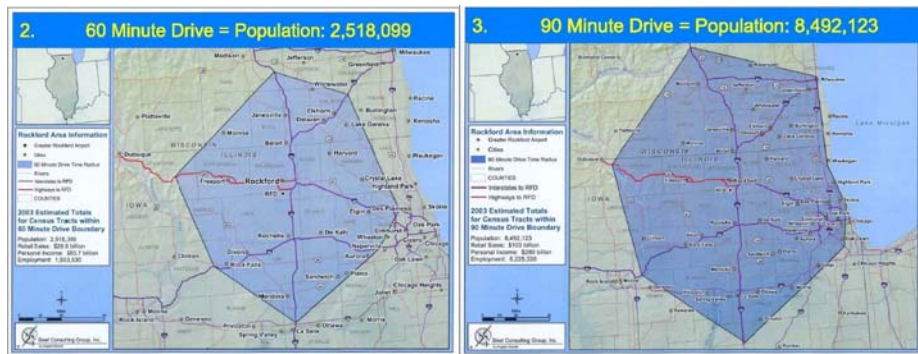
The Board of Commissioners is responsible for setting policies and ordinances governing the operations of the Authority, which are carried out or enforced by a professional staff. The Greater Rockford Airport (RFD) has progressively evolved from a general aviation facility to a dynamic commercial service airport. RFD is presently ranked as the 24th largest cargo airport in the nation when measured by landed weight. As noted in the table below RFD has grown in cargo landed weight and the plan is to continue. Over the past few years more than \$25 million has been invested in infrastructure improvements and facilities at RFD, and the plan is to invest an additional \$6.5 million in fiscal year 2007 with the assistance of the FAA. These airport improvement programs are aimed to provide a safe, efficient, and hassle-free experience for the flying public.



RFD is home to the second largest air hub sorting facility in United Parcel Service's system, as well as home to DHL and BAX Global facilities. RFD has unrestricted airspace and a level seven 24 hour Air Traffic Control Tower. RFD is a world-class airport capable of landing aircraft in Category III conditions. It is also a United States Customs Port of Entry, home to 30 industrial tenants, and the Authority is grantee for Foreign Trade Zone (FTZ) #176. The diverse activities at RFD cause it to have a

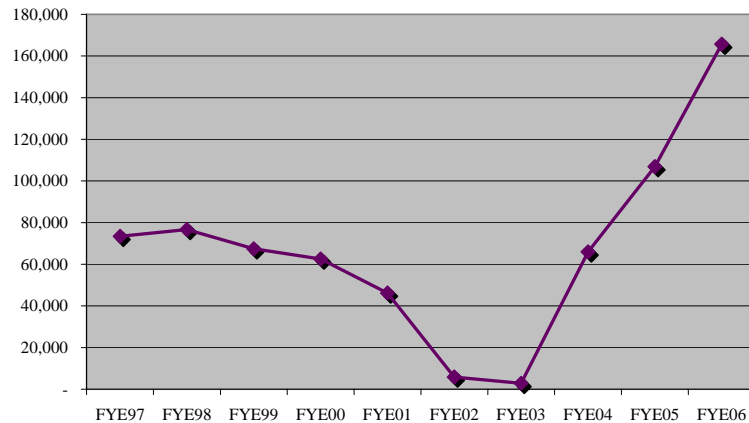
greater economic impact on the region it serves than any other commercial service airport in the State of Illinois, excluding the City of Chicago's airport system.

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 southwest of Madison, Wisconsin; 90 miles east of Dubuque, Iowa; and 90 miles northwest of Moline, Illinois. The airport covers an area of about 3,000 acres with 800 of those acres airfield related. The air market service area ranges from 2,500,000 people at 60 minutes to 8,400,000 people at 90 minutes. The airport is geographically centered within the region.



Passengers have been one of our main focuses over the last few years and the chart below shows by RFD is one of the fastest growing passenger airports in the United State for the last year. The plan is to continue this growth to make RFD a Midway on the northwest from O'Hare. We believe we have infrastructure and population to meet this goal.

Passengers



History

In 1917, during World War I, RFD, then named “Camp Grant,” was a U.S. Army Calvary 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, and Sunship1. Airlines currently serving RFD include United, Allegiant, and Apple Vacations.

In 1985 a new terminal building was constructed and in the last two years it has seen significant internal reconstruction and reconfiguration to accommodate the many new passengers as well as meeting the TSA requirements. Even with all these changes the terminal is nearing maximum capacity.

In 1994 United Parcel Service constructed an air cargo distribution hub. The hub employs approximately 1,200 with 25 daily-scheduled cargo jet arrivals/departures ranging in size from 727-100's to 747's. In 2006 UPS built a 70,000 square foot building for their new heavy freight business. The building will go on line June 2006. This is the first building completed in the UPS network for the new heavy freight business. UPS plans are for significant redesign of the distribution hub in 2007.

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. This runway has a Category II/III Landing System that is a valuable landing aid for commercial and private pilots. In 1995 the Authority completed construction of 34 T-hangars to promote general aviation activity. With these hangars fully occupied for some time there has been an increased need to add more T-hangar units for our growing general aviation users. There are plans over the next three years to build an additional 36 T-hangars with the assistance of a private developer.

In July 1989 RFD became a User Fee Airport whereby the Authority had to pay for having the convenience of U.S. Custom Services. Ultimately, it was the intention of the Chamber of Commerce and the Authority to become a foreign trade zone and

eventually a Port of Entry. On March 1, 1991 the Foreign Trade Zones Board in Washington, D.C. approved the boundaries of RFD as Foreign Trade Zone (FTZ) #176. Port status was granted effective September 13, 1995, which meant that the cost of Customs operations at RFD would be borne by the federal government. RFD was the first User Fee Airport to be upgraded to Port of Entry status. Since then, four sub-zones have been added and the general-purpose zone has expanded to include four additional zone sites and the addition of approximately 1,000 acres to the main site. U.S. Customs maintains an office staffed full-time at RFD and U.S. Customs inspection services are available 24 hours per day. With the addition of an international arrival gate during 2005, the U.S. Customs Office was moved into new facilities at the international arrival gate. The completion of Union Pacific Railroad's Global III Intermodal Hub in Rochelle, Illinois in 2003 presents a significant economic opportunity for the region and RFD. Currently, U.S. Customs inspectors based at RFD facilitate inspection services and clearances of foreign commodities at the Intermodal facility.

The foreign trade zone will become increasingly important as companies gravitate toward the Intermodal and the I-39 Development Corridor. The Greater Rockford Airport Authority plays a crucial role with the air cargo capability, currently available at RFD, providing the supply-chain velocity needed for next day express delivery and international airfreight. The availability of FTZ #176 is essential for the creation of jobs and for the region to effectively compete in the global market. Fiscal year 2006 was the first year the FTZ had activity which was estimated at approximately \$25 million annually.

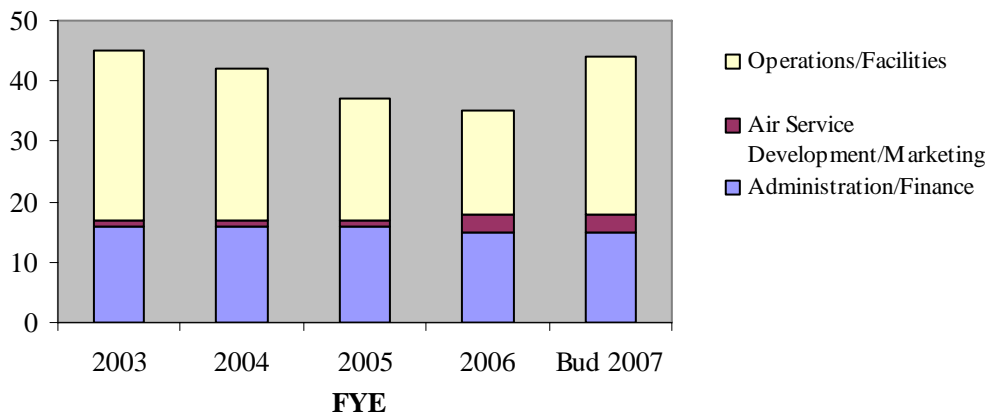
From an environmental standpoint the Authority has always been proactive. A state-of-the-art Glycol Retention/Treatment Facility was completed in 1994 and is successfully being operated. Glycol is the key liquid component used in deicing aircraft during the winter months.

In 1996 a two million-gallon fuel storage facility funded by United Parcel Service, along with a perimeter roadway system, was constructed. This capital investment increases airfield safety by eliminating the need for fuel delivery trucks to transverse the airfield.

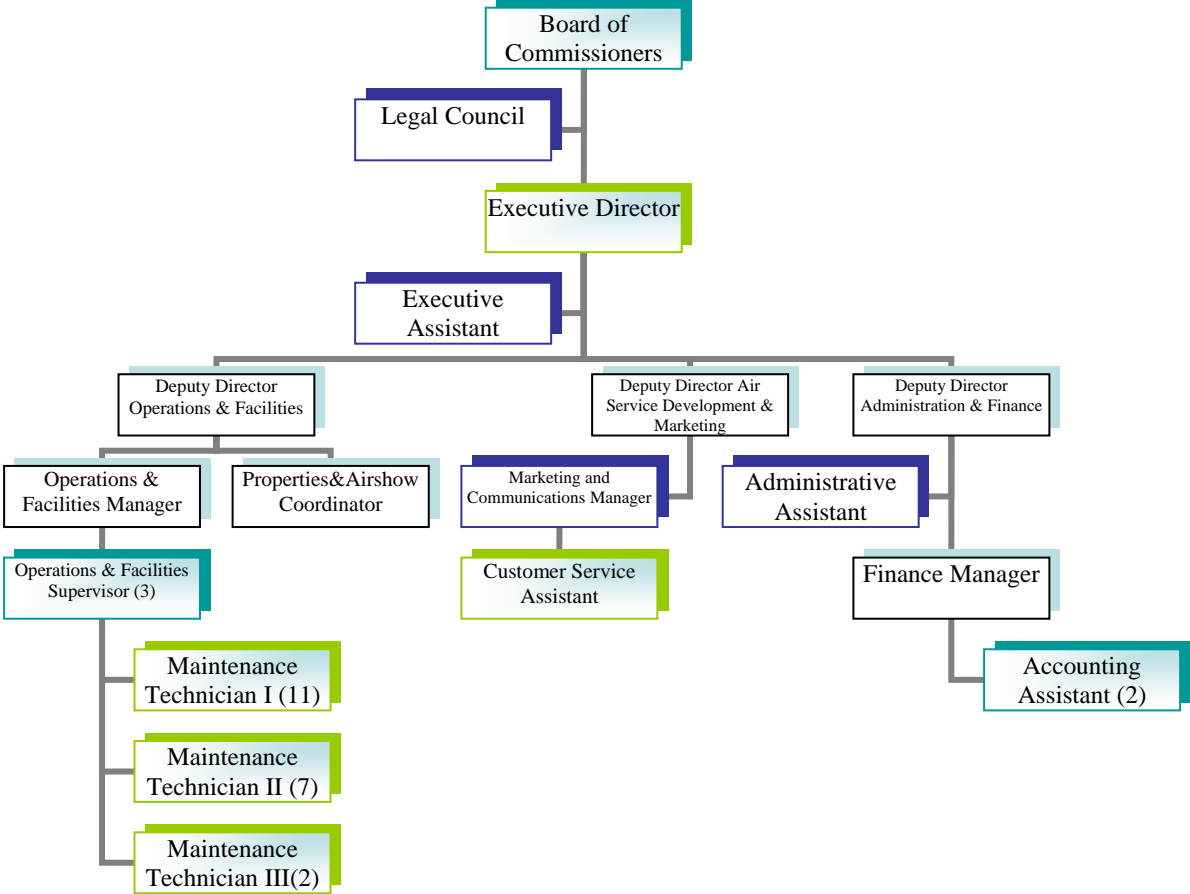
Organization

The Authority continues its aggressive stance to further grow all areas of airport development (management, air service development, operations, and facilities). A seven member Board of Commissioners governs the Authority. The Mayor of the City of Rockford appoints three members, the Winnebago County Board Chairman appoints two members and the Mayor of the City of Loves Park and the President of the Village of Machesney Park appoint one member each. Commissioners are appointed for a term of five years and can be reappointed.

Personnel Positions History and Budget



The Authority's Organizational Chart is shown below:



The Executive Director of the Authority reports to the Board of Commissioners. In BFYE07, airport staff is comprised of 35 employees (including seven Commissioners) as follows:

	FYE03	FYE04	FYE05	FYE06	FYE07
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
Administration & Finance					
Airport Commissioners	7	7	7	7	7
Executive Director	1	1	1	1	1
Deputy Directors	1	1	1	1	1
Managers	2	2	2	1	1
Properties Coordinator/Special Events	0	0	0	1	1
Executive Assistant	1	1	1	1	1
Accounting Assistants	2	2	2	2	2
Administrative Assistants	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>
Department Total	16	16	16	15	15
Air Service Development & Marketing					
Deputy Director	1	1	1	1	1
Managers	0	0	0	1	1
Customer Service Specialist	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
Department Total	1	1	1	3	3
Operations & Facilities					
Deputy Director	1	1	1	1	1
Manager	1	2	2	1	1
Supervisor	3	2	2	2	3
Specialist	0	0	0	1	1
Maintenance Technician I	6	6	6	5	11
Maintenance Technician II	5	4	4	3	7
Maintenance Technician III(Custodians)	0	0	0	0	2
Vehicle Mechanics	3	3	3	3	0
Environmental Technicians	2	2	2	1	0
Operations/ARFF Specialists	7	5	0	0	0
Department Total	<u>28</u>	<u>25</u>	<u>20</u>	<u>17</u>	<u>26</u>
Total Organization	<u>45</u>	<u>42</u>	<u>37</u>	<u>35</u>	<u>44</u>

As noted in the table and chart above the Authority has been in the process of rightsizing the organization. This has been done by evaluating the Authority at all levels and trying to find the best organizational fit. As a result the Authority has entered into an agreement with the City of Rockford Fire Department to take over all airport rescue and fire fighting (ARFF) duties. This was done to allow the Authority to focus on airport and related services. The next year will see growth in the facilities and operations area, as RFD is now operating on a 24 hour, seven days a week schedule. Staff will be hired during the year to meet those needs. There were also

Strategic Plan

changes made during the union negotiations that ended in April 2006 included in that was the reclassification of Vehicle Mechanics and Environmental Technicians to Maintenance Tech I, we will no longer have these specific type positions all categories will be general and people with in those classifications will have areas of expertise.

The Authority developed a strategic plan in the spring of 2003. It was determined that with the congestion at Chicago O'Hare International Airport, the underutilized facilities at RFD would become a key player in the region servicing both the passenger and air cargo needs in the future. The economic development role for RFD could evolve as the primary economic engine for the four-county Stateline region and beyond.

The strategic planning resulted in the identification of two goals to be pursued over the next one to five years. These goals are as follows:

1. Educate the region regarding the economic development benefits and potential of RFD.
2. Foster active community support within the region for selected functional initiatives at RFD.

Each goal was a common thread during the strategic planning process. It has been recognized that in order to build community awareness of the economic development benefits and potential of RFD, the Authority will need to continue with its outreach activities as well as communicate the potential economic benefits of the airport throughout the region.

The strategic issues identified include the following:

1. Attract and retain passenger, charter, corporate and general aviation service.
2. Better communicate with stakeholders, including employees, in order to gain broad-based support.
3. Self-sufficiency through elimination of debt.
4. Exploration of other business opportunities.

The strategic plan has been implemented by the Board and staff. This has resulted in new passenger air service and the community's involvement to make it happen was

remarkable. The community was involved in the campaign for passenger service and has been educated on the benefits of RFD.

Goals for 2007

The Board and Senior Staff will be meeting in the first quarter of the fiscal year to begin the strategic planning process again. The outcome of this planning will guide the airport into the next five to ten years. The plan will further define and set goals for passenger and airline growth, better utilization of our world class infrastructure and strategic location through growth in cargo. And finally better utilization and growth of underdeveloped and undeveloped land to grow with capital development such as distribution centers, aircraft maintenance or office buildings. This will not only produce more revenues but increase the \$719 million dollar impact that RFD has on the region annually.

Programs have been created to improve communication and awareness, and strengthen support of RFD. These programs include the MilesAhead®, which is a regionally sponsored customer rewards program. This program allows members advanced notices via email of cash rebates, incentives, airport news and various giveaways from the regional business community. This is done by an ever-growing email database of approximately 31,000 members. The goal is to grow it by 10,000 members each year. The second program is the “Consider Rockford First” initiative. In conjunction with the City of Rockford and the Chamber of Commerce, we are working with the local business community through one-on-one meetings to encourage them to “Consider Rockford First” when booking travel for their businesses. It is considered imperative to gain the business community’s support to sustain our passenger air service.

While the Authority will be underway soon with a strategic plan which will include goals general performance measures will be used for the fiscal until the plan is complete. Following are the Authority level performance measures:

- Keep airline cost per enplanement at less than \$5.00
- Increase the amount on fixed revenue sources.
- Annual Part 139 Certifications received with no findings.
- Perform customer surveys periodically during the year to assess satisfaction levels for service and terminal ratings for cleanliness. (2-3 surveys annually)

Fiscal Policy

The Authority's long-range goal is growth with balanced self-sufficiency and 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:

Tax Rate. This budget was prepared based on the policy of the Authority to maintain its current tax rate, which is approximately 33¢ per \$100 of assessed property valuation. This rate will reduce to 11¢ in 2007 as a result of paying off the last of the general obligation bonds in January 2007.

Rates & Charges. The Authority periodically approves a Rates & Charges Policy by resolution. The charges incorporated therein are determined by examining costs associated with the revenue stream. Rates & Charges are reviewed and amended periodically and are exhibited in this document. The newest change to the rates and charges was the creation of a terminal usage fee by aircraft capacity. This is a fee that will cover airlines use of all common use space.

Investments. Authority investments comply with procedures established in the Authority's Investment Policy, adopted by resolution on November 12, 1998. This policy will be reviewed in 2007.

Financial Policy. This fiscal year staff will continue to review financial policies, including debt management, procurement procedures, and budget and lease management. Some of the financial policies were evaluated and new areas were added to the policy manual in the prior year.

Replacement Program. 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 sinking funds by annual deposits to fund future capital expenditures.

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.

Budget Process

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 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 is as follows:

24 February 2006	Approve Tentative Budget and Appropriation Ordinance.
3 March 2006	Public Hearing Notice published in newspaper.
13 April 2006	Public Hearing.
13 April 2006	Approve Adoption of Budget and Appropriation Ordinance.

With staff recommendation the budget is finalized and presented to the Board of Commissioners for review. In anticipation of the fiscal year beginning May 1, the public hearing is held and the budget is approved in April.

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.

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 and will discuss and review any significant changes.

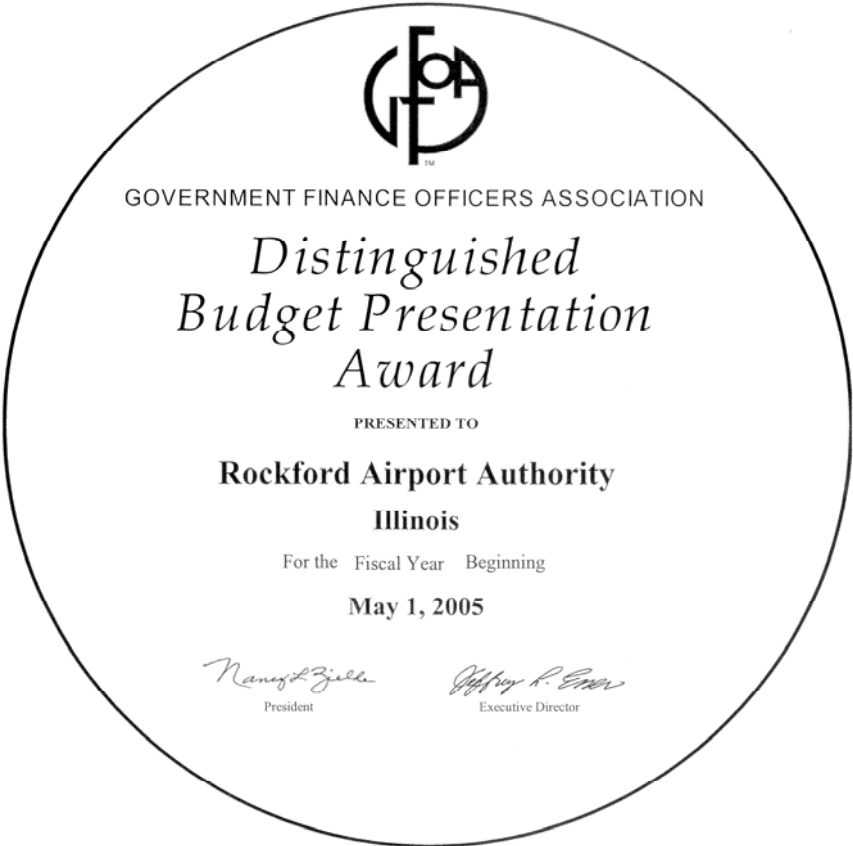
Budget Basis

The Authority budgets and accounts for its activities as an Enterprise Fund, which is similar to that of a private business where the costs of operating the airport on a continuing basis are recovered primarily from airport fees and lease revenues. Financial data is budgeted on a flow of economic resources using the full accrual method of accounting, with the exception of non-cash transactions such as depreciations. Full accrual means revenues are recognized when earned and expenditures at the time liabilities are incurred. The budget also accounts for other resources including PFC's and any funds reimbursements due from the AIP program. Capital expenditures are budgeted and the full expense accounted for in the year incurred, and depreciation is not budgeted, as it does not involve expenditure of cash. In the audited financial statements, buildings and equipment are capitalized and depreciated over future years. The Authority budgets for Capital Expenditures on an annual basis.

**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, 2005. This was the seventh 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. Following is a copy of the award.



**Budget
Summary**

The budget presented has many highlights discussed in subsequent sections. The Authority feels there are many positive changes to the plan including additional passenger service and an airshow. Operating revenues totaled \$6,662,118 in the FY2007 budget, an increase of 48% or approximately \$2.1 million over the previous year. Most of the increase is related to projected airshow revenue as well as a Small

Community Air Service Grant and a Small Business Administration Grant. Operating expenses totaled \$9,251,831 in the FY2007 budget a decrease of 7% or approximately \$678,000 less than the previous year budget. The decrease is the result of a reduction in the estimated revenue guarantee balance. The prior year included both Hooters Air and Northwest Airlines and the current year is only for United Airlines. Following is a summary of the proposed budget.

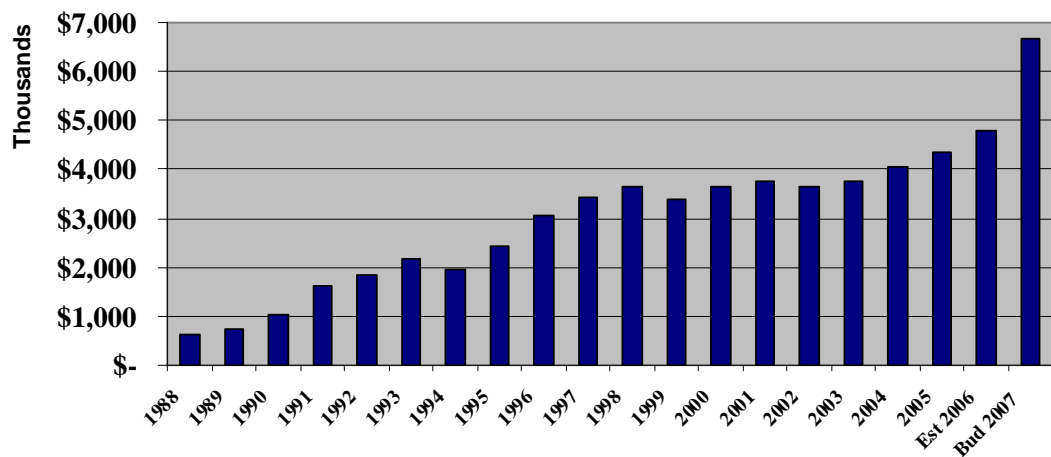
	BFYE2006	Est. FYE2006	BFYE2007
Operating Revenue			
Airport fees-airside	\$ 2,626,307	\$ 2,482,870	\$ 2,644,690
Airport fees-landside	175,000	202,831	200,000
Lease revenue-on airport	946,356	907,725	962,000
Lease revenue-off airport	407,521	424,738	375,087
Other	345,398	789,403	2,480,341
Total Operating Revenue	4,500,582	4,807,568	6,662,118
Operating Expense			
Personnel services	(2,790,004)	(2,484,975)	(2,894,378)
Contractual services	(5,919,685)	(5,248,009)	(5,033,129)
Commodities	(837,400)	(828,951)	(916,880)
Other	(383,056)	(291,016)	(407,444)
Total Operating Expense	(9,930,145)	(8,852,951)	(9,251,831)
Net Operating Expense	(5,429,563)	(4,045,383)	(2,589,713)
Non-operating Revenue (Expense)			
Annexation agreement	125,000	135,547	130,000
Interest income	100,000	258,979	100,000
Property tax levy-operating	2,679,816	2,660,641	2,960,154
Property tax levy-debt service	6,476,471	6,474,514	5,508,150
Replacement tax	300,000	454,535	400,000
Interest expense	(441,327)	(352,697)	(176,118)
Total Non-operating Revenue (Expense)	9,239,960	9,631,520	8,922,186
Capital Contributions			
Passenger facility charges	346,585	157,751	296,640
AIP Reimbursement Funds	1,063,248	471,319	3,620,747
Funds from auctioned equipment	5,000	9,575	10,000
Total Capital Contributions	1,414,833	638,645	3,927,387
Debt Service, Sinking Fund Deposits & Other Uses			
Debt service principal payments	(6,026,000)	(6,026,000)	(5,446,000)
Line of Credit	2,300,000	894,000	(894,000)
Sinking fund and operating reserve deposits	(250,000)	(250,000)	(1,550,000)
Landfill closure	-	-	(1,500,000)
Total Debt Service and Sinking Fund Deposits	(3,976,000)	(5,382,000)	(9,390,000)
Capital Expenditures			
Capital improvements	(3,409,000)	(1,600,000)	(560,500)
Capital outlay	(272,000)	(120,000)	(298,000)
Glycol improvements	(13,000)	-	(75,000)
Grant service	(382,500)	(260,000)	(660,844)
Total Capital Expenditures	(4,076,500)	(1,980,000)	(1,594,344)
Excess Funds	\$ (2,827,270)	\$ (1,137,218)	\$ (724,483)

Revenue

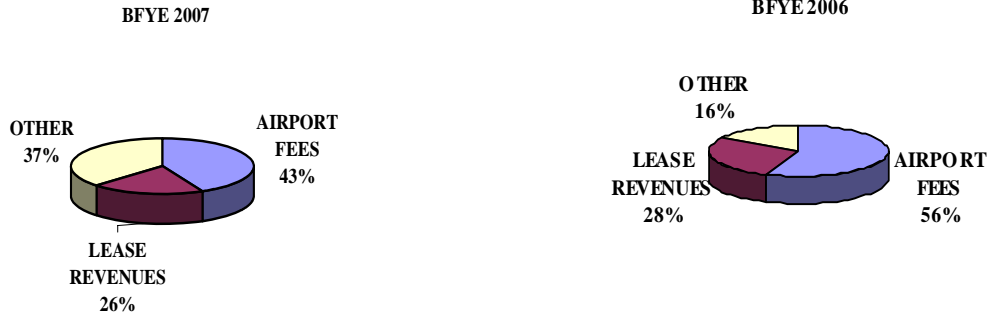
Two types of revenues are budgeted, operating and non-operating. Operating revenue is revenue derived from the day-to-day operations of the airport. Operating revenue includes landing fees, fuel flowage fees, hangar leases, land leases, and building leases. Non-operating revenue is revenue that is a consequence of operating the airport; e.g., interest revenue. Both the operating tax levy and debt service tax levy are considered non-operating revenue to show the Authority's intent to some day operate as a self-supporting entity.

Shown below are the historical annual operating revenues since FYE88. There was a positive trend through FYE98, mostly attributable to United Parcel Service's presence in FYE94. Since FYE98, operating revenues have remained steady until 2007 as a result of the Airshow and grants to cover portions of operating expenses. The hope is that future growth will be the result of cargo, passengers and lease revenue.

Operating Revenue History



Staff concentrates its efforts to increase the amount of fixed revenue over variable revenue because 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, this has not been possible due to the growth in the airport fees being greater than lease revenue as a result of an increase in landed cargo weight and passenger service as well the influx of new sources of operating revenues. Overall, there is a planned increase of 48% in total operating revenue from the prior year's budget.



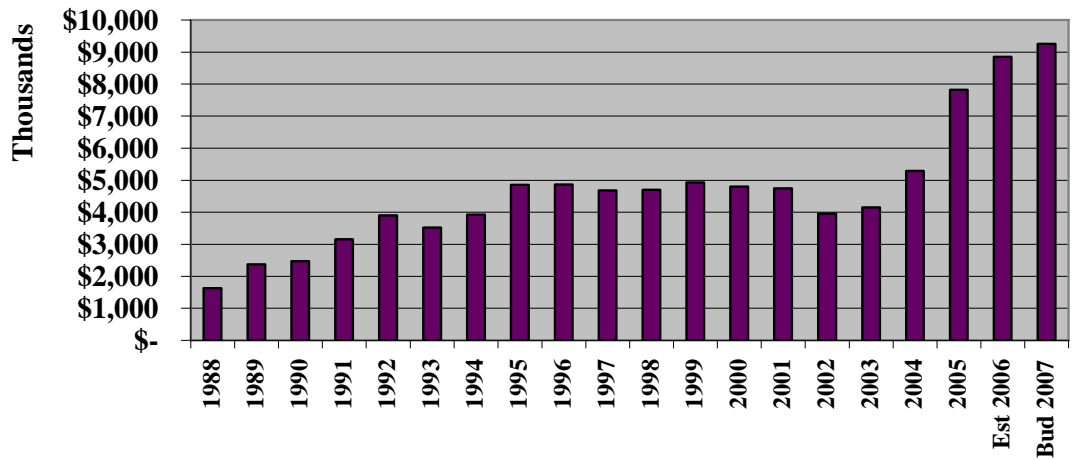
Non-operating revenue is expected to increase from the previous year. This is the result of an increase in the property tax levies and replacement tax revenues. Non-operating revenues consist predominantly of property tax levy, but also include interest revenue collected on Authority deposits. Property taxes are levied for two purposes: to cover certain operating expenses and to pay for General Obligation (GO) bond debt. The total of these two levies has been \$.33 per \$100 of assessed valuation but will decrease to \$.11 with the 2006 tax levy as all GO bonds will be paid off in January 2007.

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/Administration, Operations and Facilities, and Air Service Development. Non-operating expenditures are expenditures for debt service interest and property taxes.

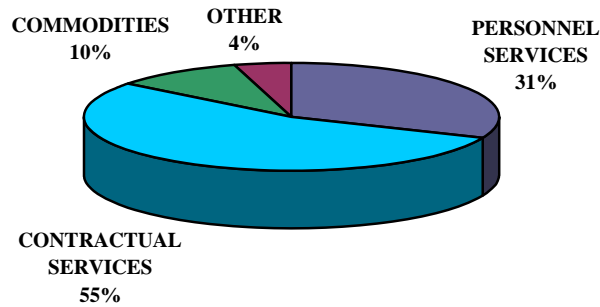
Following are the historical annual operating expenses since FYE88. There was an increase through FYE95, with expenses remaining fairly stable through FYE01, and a decrease two years thereafter. This was the result of some restructuring in the public safety department, which is now completely outsourced since the end of fiscal year 2005. Both the law enforcement and the ARFF are performed by the City of Rockford Police and Fire respectively. The trend upward beginning in FYE04 and continuing through budgeted FYE06 are the result of the addition of an Air Service Development Department which includes marketing costs and a revenue guarantee since FYE05. Increase in operating expense from prior years are related to additional personnel and airshow related expenses.

Operating Expenses History



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.

OPERATING EXPENSES BY CATEGORY



In the past, Personnel Services was the largest expense for the Authority, however it is only 31% of the total now as a result of increases in the area of marketing, advertising and revenue guarantees. Many of the personnel-related costs have increased from the prior year. These increases are mainly due to the addition of staff in the Facilities and Operations Department. The plan is to add nine people to meet the goal of a 24 hour, seven day a week operation. This should be completed by the second quarter of the year.

Contractual services have decreased from 57% to 51% of the total costs. There have been many dramatic changes in contractual services. The reduction is mainly due to a decrease in the revenue guarantee from the prior year.

Commodities make up 10% of total expenses, and they were only 9% last year. Commodities have increased from the prior year by 9% due to increases in supplies necessary for the Airshow and increases in the costs for airfield lighting supplies.

The Other category is for those costs not included in the other sections. Expenses included are costs related to the glycol retention treatment facility, landfill environmental costs and a contingency account. The intent of the contingency account is to provide additional support for expenditures if the said expenditure is over budget. An example of this would be if we were to have an extreme number of snowfalls or more ice events than planned. Materials for snowfalls and ice events are our greatest commodity cost. Other related costs would be the overtime necessary for the cleanup. The Other expenses has increased from the prior year as a result in the increase in electricity costs which is needed to operate the glycol ponds.

Non-operating expenditures consist predominantly of interest expense for General Obligation (GO) Bonds and a Revenue Bond. Total non-operating expenditures are budgeted to decrease 60% from the previous year as the Authority has reduced total outstanding debt. Further discussions are included in the debt section.

Capital contributions are inflows of cash that do not have an impact on the income statement but are included as a source in the budgeting process to help cover the costs of capital expenditures. Passenger facility charges (PFCs) are included as a capital contribution and are eligible to be used for capital. There is a budgeted decrease in PFCs of \$49,945 from last year's budget. This is the result of a current reduction in seats available out of Rockford. It is hopeful with continued effort that this will change during the year. The Authority will also be requesting \$3,620,747 from the State of Illinois Airport Improvement Program Fund as a reimbursement for previous expenditures. These expenditures were for the grading of the Northwest Cargo Apron, Terminal Enhancements and land purchase reimbursements.

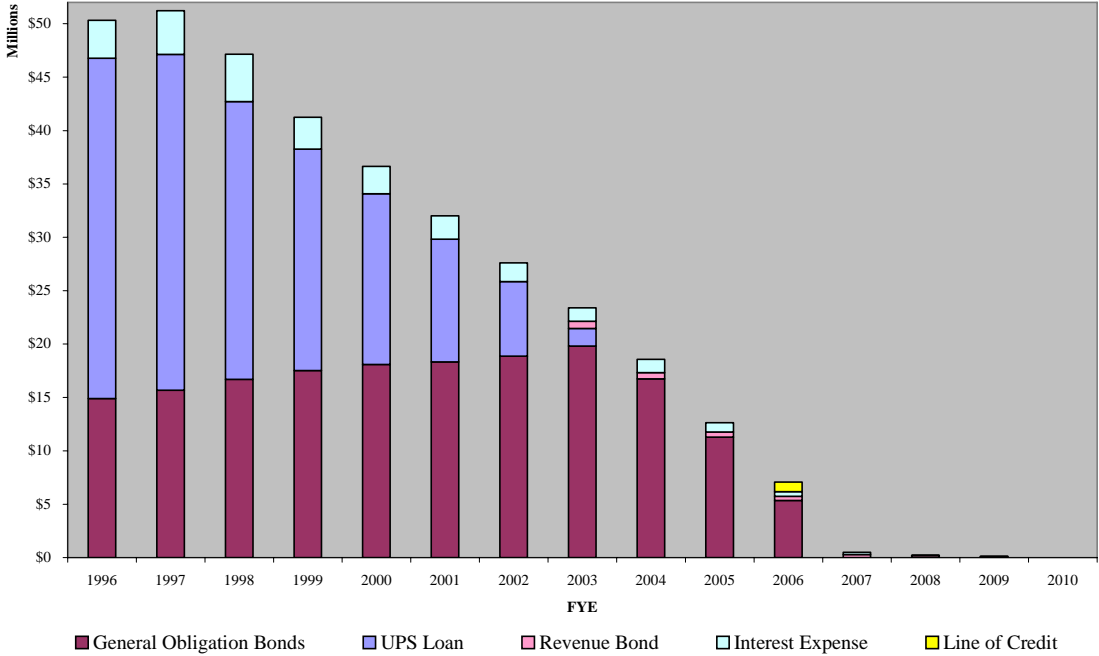
Debt Service

The primary objective of debt management is to keep the level of indebtedness within the available resources, and it is imperative to keep the debt within the legal debt limitations as established by the Airport Authorities Act. The Authority's total debt, \$6,587,930 is comprised of two types of debt: General Obligation Bonds (\$5,350,000) and a Revenue Bond (\$384,000). This represents a debt reduction of

44% from the previous year. In BFYE07 the Authority has budgeted \$6,299,930 for debt service; \$5,350,000 for GO Bonds, \$96,000 for Revenue Bonds, and \$853,930 for paying off the line of credit. The line of credit was originally for \$2.3 million however only \$853,930 was needed due to the availability of FAA discretionary funding for the second half of the Northwest Cargo Apron Expansion. This line of credit balance will be paid off in 2007, a year earlier than was planned. The Authority has done a remarkable job of reducing debt, with all current debt outstanding being paid off by FYE09 as shown in the following table.

In October 2003 Moodys 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. As a result of the improved rating, the Authority was able to issue bonds with a lower interest rate thereby reducing the amount of future interest expense the Authority will incur. This creates a more marketable bond to outside investors.

Debt Schedule



The Authority’s statutory debt limit with a referendum is 2.3% of the total equalized assessed valuation of all taxable property located within the boundaries of the Authority. This amount is \$68,180,368 based on the 2005 equalized assessed

valuation. The Authority’s statutory non-referendum bonded debt limit is \$22,232,729 which is .75% of the total equalized assessed valuation. The Revenue Bond balance of \$384,000 is not counted against either limit. Following is a table showing both principal and interest payments for current and planned debt.

	Principal	Interest	Total
2007	6,341,000	208,218	6,549,218
2008	96,000	15,000	111,000
2009	96,000	9,984	105,984
2010	96,000	4,992	100,992
	<u>\$6,629,000</u>	<u>\$238,194</u>	<u>\$6,867,194</u>

Capital Improvement Program

Each year the Authority creates a capital projects plan in conjunction with the transportation improvement plan and the master plan when completed. The projects present in the budget are intended to begin and most will be completed during this fiscal year. The transportation improvement plan and master plan are much longer term in nature for the next twenty five years. The transportation improvement plan is updated and reevaluated annually for presentation to the State Department of Aeronautics and the FAA. The Master Plan is only updated periodically and only if there are significant changes that effect the plan. The Master Planning process guides us in our development and growth.

Capital expenditures consist of all expenditures in excess of \$2,000 unless an item is consumed within one year of the date purchased. Capital expenditures constitute the large portion of Authority expenditures. There is \$1,594,344 worth of capital expenditures planned. This is \$2.5 million less than last year as there are not significant projects in the current year that require significant out of pocket costs for us. However, the projects and purchases planned for the year are part of our growth and improvement plan. Capital projects are a significant part of our annual budgeting process and more importantly part of our Master Planning process. It is our intention to fund these capital projects with current year resources. When current year resources are not available cash reserves are used and debt is our last resort for smaller projects.

Capital improvements for the year include projects to maintain, upgrade or improve buildings and infrastructure owned and maintained by the Authority. Of the \$560,500 planned, \$292,500 will be used in the terminal to expand and enhance the space available for passengers. This will include restroom renovations and upgrades, tile and carpet replacement, additional seating and renovating the first floor kitchen to attract a new restaurant operator to the terminal building. Other improvements

include roof repairs or replacements on various owned buildings, and the installation of a lateral sanitary sewer line to our midfield to open this area up for future development.

Capital outlay is equipment necessary to operate the Airport and Authority in the most efficient manner. Purchases planned for the year include two new utility trucks, backhoe, tractor and industrial equipment, including a floor scrubber and surface grinder. One the goals of the Authority is to operate as efficient as possible and make available to our employees and tenants the technology to meet this goal. This year’s capital outlay include costs to improve and enhance our wireless availability to high speed internet service with the eventual plan of making in available on the entire campus. Glycol improvements include gate monitoring equipment upgrades because the current are becoming outdated and in need of repairs.

Grant services are projects in which we partner with the State and FAA, through the Airport Improvement Program, to make airfield, terminal and parking lot improvements. The current year budget includes projects to add escalators to the terminal, runway safety improvements, rehabilitation of Taxiway “F”, two additional jetways and the master plan update. We are only responsible for 5% to 50% of the total cost depending on the project type. For example, it is estimated that the escalator project will cost around \$425,000 and since this is a federal project we will only be responsible to pay for 5% of the cost, or \$21,250. The grant program allows us to do significant infrastructure improvements that would not normally be possible without being pushed out into the future or incurring debt to fund such projects.

Net Assets

Following is a summary of changes in net assets for a five year period. The summary of net assets does account for these items and can not 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. This net balance rolls into the retained earning balance. Capital contributions are from federal, state and passenger facility charge fees. 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 Assets

	FYE03	FYE04	FYE05	Est FYE06	BFYE07
Net Assets, beginning of year	\$75,083,566	\$83,737,481	\$90,332,405	\$97,120,214	\$103,132,470
Income(loss) before Capital Contributions	1,494,223	1,105,137	361,368	(279,582)	420,457
Capital Contributions	7,159,692	5,489,787	6,426,441	6,291,838	7,258,741
Net Assets, end of year	<u>\$83,737,481</u>	<u>\$90,332,405</u>	<u>\$97,120,214</u>	<u>\$103,132,470</u>	<u>\$110,811,668</u>

Reserve Funds

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). One exception is the revenues received from the BAX Global Cargo Facility. A portion will be deposited into an escrow account to pay for the debt service on the revenue bond issued to purchase the facility. Included, but separately identified, is an Operating Fund Reserve of \$3,000,000.

Debt service account. The debt service account receives proceeds from the tax levy for debt service. The principal and interest payments for GO Bond maturities and the BAX Global Facility Revenue Bonds are then funded from this account.

Capital projects account. This fund pays for all capital improvements, capital outlays, projects and grant service in the capital budget. Funding for this account is derived from Passenger Facility Charges (PFCs) and excess operating monies from the previous year. AIP funds reimbursement planned for BFYE07 of \$1.1 million also is included in this account. The Authority's target is to have an account balance of \$1 million throughout the year.

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 has a balance of \$1,586,815. Based on discussions with the environmental consultants an additional \$75,000 will be contributed to the fund. Landfill #2 is planned to be closed in the fall of 2006.

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 \$1,252,284 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 a snow removal vehicles or fire trucks in the future. Presently, the fund balance is \$879,468, which is budgeted to increase by \$175,000. This is funded by the receipts of auctioned equipment and investment earnings and a budgeted sinking fund transfer.

A Building re-roof fund to fund an extensive re-roof of the Coleman Hangar has a balance of \$167,518 this balance appears adequate to fund the re-roof which is planned for in fiscal year 2008. The Authority views this is 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.

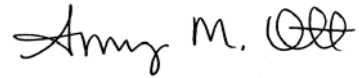
	Operating Account	Debt Service Account	Capital Proj. Account	Trust Account	Total
Balance, 1 May 2006	\$ 2,005,262	\$ 80,039	\$ 1,756,721	\$ 3,877,195	\$ 7,719,217
Sources					
Operating revenue	6,546,150	115,968			6,662,118
Non-operating revenue	630,000				630,000
Tax levy-operating	2,960,154				2,960,154
Tax levy-debt service		5,508,150			5,508,150
PFC			296,640		296,640
AIP Fund Reimbursement	2,300,000	894,000	426,747		3,620,747
Other				10,000	10,000
Total Sources	12,436,304	6,518,118	723,387	10,000	19,687,809
Uses					
Operating expenses	9,251,831				9,251,831
Non-operating expenses		176,118			176,118
Debt service payments		5,446,000			5,446,000
Line of Credit repayment		894,000			894,000
Other uses				1,500,000	1,500,000
Capital expenditures			1,519,344	75,000	1,594,344
Total Uses	9,251,831	6,516,118	1,519,344	1,575,000	18,862,293
Net Sources (Uses)	3,184,473	2,000	(795,957)	(1,565,000)	825,517
Balance FYE07 before transfers	5,189,736	82,039	960,764	2,312,195	8,544,733
Transfers	(1,750,000)	0	1,500,000	250,000	0
Balance, 1 May 2007	\$ 3,439,736	\$ 82,039	\$ 2,460,764	\$ 2,562,195	\$ 8,544,733

Operating account balances include approximately \$3,000,000 of operating reserves in ending balance.

Acknowledgement

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,

Handwritten signature of Amy M. Ott in black ink.

Amy M. Ott, CPA
Deputy Director of Finance & Administration

Operating Revenue Summary

Revenue sources are broken down into five (5) distinct categories: Airport fees-airside, Airport fees-landside, Lease revenue-on airport, Lease revenue-off airport, and Other. This breakdown allows a comparison of variable revenues (airport fees) vs. fixed revenues (lease revenue) and airside/on airport revenues vs. landside/off airport revenues.

Airport fees – airside, \$2,644,690. 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, due to limited history and the structure change in FY2005. Landing fees for cargo are projected based on 1.358 billion pounds, which is about even with the prior year weights, as current carriers at this time are not planning any increases. Landing fees for passenger airlines is projected to increase with the current carrier, Allegiant Air, expanding service seasonally and planning for additional destinations during the 2006- 2007 winter season. United Airlines will also begin paying landing fees for two months of the year. Ramp fees include all usage by airlines from the jetway to the terminal. In February 2006 the rates and charges related terminal and ramp usage were combined. The Authority has attempted to create a common use terminal. All users pay one fee based on aircraft size for use of jetway, baggage claims, counter space, and computer system. All gates and counter space in the terminal are common use.

Airport fees – landside, \$200,000. The revenue in this category is rental car commissions. As in the previous category, these revenues are also variable in nature. Revenues are specifically related to the rental car agency commissions which grew in the prior year much larger than had been expected, therefore, it is estimated that revenues will remain at the same level.

Lease revenue – on airport, \$962,000. 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. Increase from prior year is mainly due to leasing of a building that had been vacant for the past few years. Some of this increase is offset by a decrease in terminal lease revenues. As we have grown, we have had to take back space in the terminal for passenger service.

Lease revenue – off airport, \$375,087. Sources of revenue include building and land leases. These sources are also fixed and do not vary much over time. These sources are outside the perimeter fence and are largely considered industrial park. Lease revenue –off airport has

decrease significantly as a result of two land lease tenants not renewing. There are no new tenants as of yet and budget projects reflect these vacancies.

Other – \$2,480,341. Sources include commercial operating agreement fees, fuel permit fees, quarry fees, snow removal fees, foreign trade zone fees, storm water fees, airshow revenues and intergovernmental grants revenues. Most of these revenues are incidental to the operation. The other revenue has seen the most significant area of increase. This was due to airshow revenues estimated at \$1.1 million, this the second year of the Airshow, and attendance is estimated at approximately 90,000 which is three times greater than last year. Revenue from grant sources is also a new addition between a Small Community Air Service grant and a Small Business Administration grant for marketing purposes. This will account for about \$1 million of the other revenue.

Operating Revenues Budget

CODE/LINE ITEM	ACTUAL FYE01	ACTUAL FYE02	ACTUAL FYE03	ACTUAL FYE04	ACTUAL FYE05	BUDGET FYE06	ESTIMATE FYE06	BUDGET FYE07
AIRPORT FEES-AIRSIDE								
4120 Fuel flowage fees	\$ 819,566	\$ 827,650	\$ 829,928	\$ 882,759	\$ 597,471	\$ 56,000	\$ 57,553	\$ 66,700
4140 Landing fees	1,394,021	1,404,969	1,326,471	1,391,834	1,861,005	2,373,507	2,307,678	2,407,990
4141 Landing fees - non cargo	-	-	-	23,265	64,424	125,000	90,848	140,000
4142 Landings - ramp fees	-	-	-	-	17,200	71,800	26,790	30,000
TOTAL FEES-AIRSIDE	2,213,587	2,232,619	2,156,399	2,297,859	2,540,101	2,626,307	2,482,870	2,644,690
AIRPORT FEES-LANDSIDE								
4250 Parking	110,613	9,451	968	311	-	-	-	-
4270 Rent-a-car commissions	176,669	137,396	137,405	118,766	129,497	175,000	202,831	200,000
TOTAL FEES-LANDSIDE	287,282	146,848	138,372	119,076	129,497	175,000	202,831	200,000
LEASE REVENUE-ON AIRPORT								
4330 Building	216,321	255,335	350,979	440,069	481,540	504,605	511,585	553,965
4360 Land	234,487	236,452	254,993	277,746	290,167	303,662	306,860	324,420
4361 Tie-down	-	6,935	43,129	17,882	6,133	5,700	5,792	5,700
4380 Terminal concession/counter/offices	122,538	114,805	116,086	120,852	113,387	132,389	83,488	77,915
TOTAL LEASE-ON AIRPORT	573,346	613,527	765,187	856,550	891,226	946,356	907,725	962,000
LEASE REVENUE-OFF AIRPORT								
4430 Building	60,150	89,967	103,594	107,510	116,462	104,091	127,710	77,334
4460 Land	269,350	252,736	256,898	291,691	294,167	303,430	297,028	297,753
TOTAL LEASE-OFF AIRPORT	329,500	342,703	360,493	399,201	410,629	407,521	424,738	375,087
OTHER								
4910 Automobile fuel flowage	4,452	5,956	2,170	-	-	-	-	-
4915 Airshow revenues	-	-	-	-	-	-	364,476	1,111,250
4920 Clean fill	24,352	18,180	28,234	32,016	18,473	20,000	41,316	24,000
4930 Commercial operating agreement	52,787	53,218	59,425	60,464	64,969	67,398	68,208	69,891
4940 Foreign trade zone fees	4,200	3,000	8,336	6,200	6,000	9,000	9,000	12,000
4950 Fuel permits	5,100	3,600	4,125	4,575	4,200	-	3,825	4,200
4955 Late fees	675	726	4,715	4,993	-	1,000	-	1,000
4960 Quarry fees	75,015	75,000	75,000	96,269	97,783	90,000	131,376	90,000
4965 Marketing campaign donations	-	-	-	-	13,406	-	477	-
4970 Snow removal/maintenance fees	11,980	3,360	2,310	3,370	-	2,500	-	5,000
4980 Stormwater fees	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
4990 Miscellaneous	17,744	10,391	8,353	6,774	36,870	5,500	20,725	1,013,000
TOTAL OTHER	346,305	323,430	342,667	364,661	391,701	345,398	789,403	2,480,341
TOTAL OPERATING REVENUE	\$ 3,750,020	\$ 3,659,127	\$ 3,763,117	\$ 4,037,346	\$ 4,363,154	\$ 4,500,582	\$ 4,807,568	\$ 6,662,118

Operating Revenue Budget Justifications

AIRPORT FEES-AIRSIDE		
4120 Fuel flowage fees	\$	66,700
4140 Landing fees	\$	2,407,990
4141 Landing fees - non cargo	\$	140,000
4142 Landings - ramp fees	\$	30,000
AIRPORT FEES-LANDSIDE		
4270 Rent-a-car commissions		
Budgeted automobile rental commissions are calculated on average monthly rental commissions of \$10,000 per month.	\$	200,000
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, 18 @ \$205.85/mo.		44,464
T-hangars, 3 @ \$236.18/mo.		8,502
T-hangars, 3 @ \$276.9/mo.		9,968
T-hangars, 6 @ \$296.75/mo.		21,366
T-hangars, 2 @ \$341.70/mo.		8,201
T-hangars, 2 @ \$397.00/mo.		9,528
Plot #A-9, Alpine Aviation		9,234
Plot #A-10, Mechanical Tool & Eng.		20,250
Plot #A-12, Emery Air Charter (former Coleman hangar)		94,150
Plot #A-15, Heritage Aero		35,000
Plot #A-20, Pride Aviation (former Crabtree hangar)		18,254
Plot #A-21, Hot Shot Express		19,219
Building 30 - Rockford Charter Coach		7,500
Plot #A-31, DHL Express		102,169
Plot #A-33, BAX Global		146,160
Total building lease-on airport	\$	553,965
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.		6,770
Plot #A-2, Skandia		12,435
Plot #A-3, Courtesy Aircraft, Inc.		13,825
Plot #A-3A, Courtesy Aircraft, Inc.		5,500
Plot #A-4, Avionics Place		13,369
Plot #A-5, Rock Valley College		11,193
Plot #A-6, Owners Association		12,471
Plot #A-8, Emery Air Charter		37,397
Plot #A-11, Charles Salberg		7,842
Plot #A-14, CLARCOR		9,158
Plot #A-17, 1896 LLC		10,205
Plot #A-18, Rubloff Hangar, LLC		41,552
Plot #A-19, HSI Investments, LLC		12,449
Plot #A-23, Emery Air Charter		57,776
Plot #A-23A, Emery Air Charter		12,305
Plot #A-27, Delbert Wildes		3,272
Plot #A-28, HSI Investments, LLC		12,314
Plot #A-29, Kaney Aviation		16,815
Plot #A-32, Emery Fuel Farm		9,451
Plot #A-33, BAX Global		12,319
Moreland Enterprises		6,000
UPS, Building		1
UPS, Fuel Farm		1
Total land lease-on airport	\$	324,420
4361 Tie-down	\$	5,700

Operating Revenue Budget Justifications

4380 Terminal lease-concession/counter/offices

Automobile rental-Avis	7,214
Automobile rental-Hertz	7,214
Automobile rental-National	7,214
Food service-coffee shop	1,236
General Serv. Adm. (FAA/TSA)	11,801
Office-Crawford, Murphy & Tilly	43,236
Total terminal lease	\$ 77,915

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.

GRAA Professional Building & FAA	3,710
Plot #I-2 6772 Falcon Rd (Pride)	17,313
Plot #I-8 Michael Werckle	4,494
Plot #I-30 F. Newton & Associates	23,518
Plot #I-29 American Quality Machine	7,000
Plot #I-15 Vista, Marketing Office	21,299
Total building lease-off airport	\$ 77,334

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, 684 acres @ \$85/acre (Reduction for Airshow)	51,340
Plot #I-3 Pitney Power Painting	12,906
Plot #I-4 Mechanical Tool & Engineering	6,057
Plot #I-5 Mrs. Mary Barker	4,711
Plot #I-7 Elco Textron Industries	3,827
Plot #I-9 Rock Road Company	68,435
Plot #I-10 Greenfield Industries	2,679
Plot #I-11 Fitzgerald Equipment Company	12,063
Plot #I-12 Parkside Warehouse	12,250
Plot #I-12A Parkside Warehouse	6,904
Plot #I-13 Barker Rockford Company	22,328
Plot #I-14 Clinkenbeard	6,313
Plot #I-16 Airport Pet Lodge	348
Plot #I-17 Rockford Poultry	-
Plot #I-17B Rockford Poultry	-
Plot #I-18 Freeway Rockford	3,479
Plot #I-19 Parkside Warehouse	15,830
Plot #I-21 Mechanical Tool	2,819
Plot #I-22 Willett, Hofmann & Associates	5,220
Plot #I-24 Warren Jackson Parking Lot	-
Plot #I-25 Precision Group	11,924
Plot #I-26 Blackbird, Inc	3,824
Plot #I-27 Vista, Service Station	10,255
Plot #I-28 Comet Fabrication	5,032
Plot #I-28B Comet Fabrication	6,033
Plot #I-28C Comet Fabrication	4,419
Plot #RM-2, Sjostrom & Sons	8,857
Plot #I-30 Millwork Masters	9,900
Total land lease-off airport	\$ 297,753

OTHER

4915 Airshow

All revenue sources from 2006 Airfest.	\$ 1,111,250
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4920 Clean fill

Tipping fees collected for clean fill collection. Estimate 16,000 ton @ \$1.50/ton	\$ 24,000
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Operating Revenue Budget Justifications

4930 Commercial operating agreements

Budgeted Commercial Operating Agreements are based upon the actual square footage of the building footprint (total 249,674) for tenants inside the fence @\$28/sq.ft./yr.

HSI Investments, LLC, A19, A28	28,530 sq.ft.	7,988
Aircraft Systems, A1	8,064 sq.ft.	2,257
Avionics Place, A4	7,300 sq.ft.	2,044
Courtesy Aircraft, A3	10,682 sq.ft.	2,990
Emery Air Charter, A8, A12, A23	134,023 sq.ft.	37,526
Groom, Norm, T/H B6	1,449 sq.ft.	405
Pride Aircraft, A20	4,620 sq.ft.	1,294
Alpine Aviation, A9	2,480 sq.ft.	694
Rubloff/1896, A18, A17	31,836 sq.ft.	8,914
Courtesy Aircraft, A15	12,000 sq.ft.	3,360
Tim Theden, A2	8,640 sq.ft.	2,419
Total commercial operating agreements		\$ 69,891

4940 Foreign trade zone fees

Cardinal Health		3,000
Anderson Packaging		3,000
Nissan		3,000
New FTZ		3,000
Total foreign trade zone fees		\$ 12,000

4950 Fuel permits

Fuel permits are based upon fuel dispensing criteria.

Emery Air Charter		1,125
Courtesy Aircraft		600
Rubloff LLC		600
Newell Rubbermaid Flight		375
Pride Aircraft		1,125
UPS		375
Total fuel permits		\$ 4,200

4955 Late fees

Fees paid after due date are assessed a late fee in accordance with lease agreement.

\$ 1,000

4960 Quarry fees

Royalties- Rockford Sand & Gravel @ \$7,500 per month.

\$ 90,000

4970 Snow removal/maintenance fee

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

\$ 5,000

4980 Stormwater fees

Budgeted storm water fees. (currently UPS is the only user)

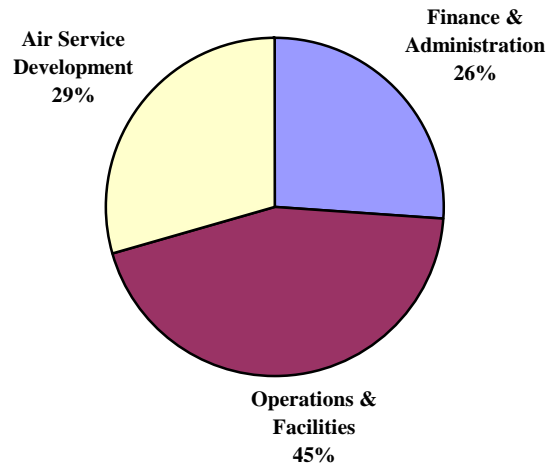
United Parcel Service (\$12,500 x 12) \$ 150,000

4990 Miscellaneous

Vending machine commissions		3,000
Scrap iron		500
Badging fees/fines		5,000
Airport fines		2,000
Small Community Air Service Grant		1,000,000
Other		2,500
Total miscellaneous		\$ 1,013,000

Operating Expenses Summary

The Authority is made up of three departments that include Finance and Administration, Operations and Facilities, and Air Service Development. 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.



Operating Expenses Combined Departmental Budget

CODE/LINE ITEM, All Departments	Finance & Admin.	Operations & Facilities	Air Serv Develop	BUDGET FYE07	BUDGET FYE06	Dollar Change	Percentage Change
PERSONNEL SERVICES							
5400 Insurance	\$ 94,487	\$ 252,004	\$ 31,229	377,720	\$ 375,344	\$ 2,376	0.63%
5401 Insurance-retirees	116,068	-	-	116,068	109,159	6,909	6.33%
5450 Overtime	1,539	57,515	-	59,054	63,464	(4,410)	(6.95%)
5451 Double time	-	10,393	-	10,393	9,846	547	5.56%
5500 Payroll taxes	55,188	108,121	15,493	178,802	156,415	22,387	14.31%
5560 Pension contribution	55,913	73,082	11,104	140,099	149,819	(9,720)	(6.49%)
5561 Pension contributionGraaPebSCO	5,700	-	-	5,700	5,700	-	0.00%
5600 Salaries/wages	653,044	1,047,743	168,503	1,869,290	1,771,508	97,782	5.52%
5610 Pager pay	-	2,600	-	2,600	2,600	-	0.00%
5700 Tool allowance	-	1,800	-	1,800	1,800	-	0.00%
5750 Training	4,000	10,800	1,350	16,150	18,150	(2,000)	(11.02%)
5800 Workers compensation insurance	5,764	97,475	1,503	104,742	117,818	(13,076)	(11.10%)
5900 Uniforms	-	5,460	-	5,460	5,356	104	1.94%
5901 Uniforms-lost,damaged,replaced	-	500	-	500	500	-	0.00%
5902 Uniforms-shoe allowance	-	-	-	-	1,125	(1,125)	(100.00%)
5903 Uniforms-other	-	6,000	-	6,000	1,400	4,600	328.57%
TOTAL PERSONNEL SERVICES	991,702	1,673,493	229,182	2,894,378	2,790,004	104,374	3.74%
CONTRACTUAL SERVICES							
6021 Ad-Television	-	-	100,000	100,000	155,940	(55,940)	(35.87%)
6022 Ad-Radio	-	-	90,000	90,000	204,390	(114,390)	(55.97%)
6023 Ad-Billboards	-	-	140,000	140,000	64,065	75,935	118.53%
6024 Ad-Direct	-	-	15,000	15,000	-	15,000	(100.00%)
6025 Ad-Promotions	-	-	5,000	5,000	494	4,506	912.15%
6026 Ad-Print	-	-	140,000	140,000	203,038	(63,038)	(31.05%)
6050 Audit	25,000	-	-	25,000	17,830	7,170	40.21%
6040 Airfield repair	-	6,550	-	6,550	4,320	2,230	51.62%
6100 Building repair	2,000	27,300	-	29,300	28,300	1,000	3.53%
6121 Milesahead program	-	-	60,000	60,000	568,193	(508,193)	(89.44%)
6140 Conferences & meetings	54,500	830	16,200	71,530	23,855	47,675	199.85%
6145 Air Service Start Up	-	-	-	-	25,000	(25,000)	(100.00%)
6150 Revenue Guarantee	-	-	1,750,000	1,750,000	2,471,620	(721,620)	(29.20%)
6160 Consulting services	55,184	-	55,500	110,684	219,158	(108,474)	(49.50%)
6161 ARFF contractual services	-	725,000	-	725,000	650,000	75,000	11.54%
6162 ARFF training	-	30,000	-	30,000	30,000	-	0.00%
6165 Airshow	425,010	-	-	425,010	100,000	325,010	325.01%
6200 Energy	-	-	-	-	-	-	-
6201 Energy-electric	27,000	230,000	-	257,000	260,500	(3,500)	(1.34%)
6202 Energy-natural gas	15,000	80,000	-	95,000	82,000	13,000	15.85%
6300 Engineering services	35,000	-	-	35,000	30,000	5,000	16.67%
6321 Equip maint-repairs/services	1,000	21,260	-	22,260	25,760	(3,500)	(13.59%)
6322 Equip maint-service contracts	15,950	122,500	-	138,450	143,950	(5,500)	(3.82%)
6350 Equipment rental	65,718	15,840	-	81,558	24,944	56,614	226.96%
6400 Insurance	247,000	-	-	247,000	254,100	(7,100)	(2.79%)
6402 Insurance deductible	10,000	-	-	10,000	10,000	-	0.00%
6410 Landscaping	-	2,500	-	2,500	1,000	1,500	150.00%
6440 Legal notices	6,850	-	-	6,850	6,850	-	0.00%
6451 Legal services-general	40,000	-	-	40,000	35,400	4,600	12.99%
6452 Legal services-personnel	25,000	-	-	25,000	45,000	(20,000)	(44.44%)
6453 Legal services-other	3,000	-	-	3,000	9,960	(6,960)	(69.88%)
6480 Licenses,titles & inspections	2,500	3,550	-	6,050	2,850	3,200	112.28%
6510 Medical exams	500	1,600	-	2,100	2,000	100	5.00%
6540 Membership dues	39,700	675	810	41,185	23,910	17,275	72.25%
6600 Other	9,000	1,750	1,000	11,750	10,000	1,750	17.50%
6640 Payment services	7,900	-	-	7,900	7,900	-	0.00%
6670 Permits & testing	-	1,250	-	1,250	1,250	-	0.00%
6700 Postage	8,200	-	400	8,600	14,200	(5,600)	(39.44%)
6730 Printing	32,050	-	36,575	68,625	21,875	46,750	213.71%
6751 Telephone-cellular	4,400	13,000	1,500	18,900	18,000	900	5.00%
6752 Telephone-local	39,200	7,200	1,700	48,100	42,298	5,802	13.72%
6753 Telephone-long distance	5,000	300	200	5,500	6,550	(1,050)	(16.03%)
6754 Telephone-pagers	-	-	-	-	-	-	-
6800 Travel & transportation	63,637	3,750	15,340	82,727	34,185	48,542	142.00%
6850 Utilities	2,000	18,300	-	20,300	13,000	7,300	56.15%
6900 Vehicle maintenance	500	9,200	-	9,700	12,250	(2,550)	(20.82%)
6950 Waste removal	-	13,750	-	13,750	13,750	-	0.00%
TOTAL CONTRACTUAL SERVICES	1,267,799	1,336,105	2,429,225	5,033,129	5,919,685	(886,556)	(14.98%)
COMMODITIES							
7100 Building repair	1,000	41,000	-	42,000	42,000	-	0.00%
7140 Conferences & meetings	15,000	3,700	15,500	34,200	29,200	5,000	17.12%
7200 Equipment	10,000	27,000	2,500	39,500	50,200	(10,700)	(21.31%)
7240 Fence/gate	-	3,450	-	3,450	3,150	300	9.52%

Operating Expenses Combined Departmental Budget

CODE/LINE ITEM, All Departments	Finance & Admin.	Operations & Facilities	Air Serv Develop	BUDGET FYE07	BUDGET FYE06	Dollar Change	Percentage Change
7271 Fuel-diesel	-	49,800	-	49,800	60,000	(10,200)	(17.00%)
7272 Fuel-unleaded	-	38,700	-	38,700	50,000	(11,300)	(22.60%)
7273 Fuel-other	-	700	-	700	570	130	22.81%
7300 Landscaping	-	13,200	-	13,200	15,250	(2,050)	(13.44%)
7380 Other	1,000	1,750	1,000	3,750	3,750	-	0.00%
7400 Pavement marking	-	25,000	-	25,000	25,000	-	0.00%
7440 Pavement repair	-	7,000	-	7,000	7,000	-	0.00%
7500 Raw materials	-	2,200	-	2,200	2,200	-	0.00%
7501 Raw materials-deicing only	-	219,640	-	219,640	216,880	2,760	1.27%
7540 Signage	3,500	7,000	-	10,500	7,000	3,500	50.00%
7580 Software	16,000	15,000	-	31,000	41,200	(10,200)	(24.76%)
7600 Subscriptions	8,495	1,035	720	10,250	7,805	2,445	31.33%
7660 Supplies-janitorial	-	26,500	-	26,500	30,000	(3,500)	(11.67%)
7690 Supplies-lighting(airfield)	-	110,700	-	110,700	73,800	36,900	50.00%
7720 Supplies-mechanical (airfield)	-	38,575	-	38,575	38,575	-	0.00%
7750 Supplies-office	12,000	1,850	750	14,600	13,500	1,100	8.15%
7780 Supplies-other	49,650	9,800	-	59,450	4,330	55,120	1272.98%
7782 Supplies-hardware	-	8,150	-	8,150	7,675	475	6.19%
7796 Supplies-promotional	12,240	-	34,000	46,240	29,000	17,240	59.45%
7810 Supplies-specialty	-	10,000	-	10,000	8,540	1,460	17.10%
7830 Supplies-steel stock	-	2,700	-	2,700	2,700	-	0.00%
7850 Supplies-storm sewer/drain	-	2,000	-	2,000	1,000	1,000	100.00%
7880 Supplies-welding	-	2,400	-	2,400	2,400	-	0.00%
7900 Vehicle maintenance	-	-	-	-	-	-	0.00%
7901 Maint-licensed vehicles	500	8,025	-	8,525	8,525	-	0.00%
7902 Maint-equipment	-	56,150	-	56,150	56,150	-	0.00%
TOTAL COMMODITIES	129,385	733,025	54,470	916,880	837,400	79,480	9.49%
OTHER							
8200 Contingency	28,000	-	-	28,000	28,000	-	0.00%
8400 Glycol retention treatment facility	-	150,600	-	150,600	121,100	29,500	24.36%
8410 Landfill environmental costs	-	149,000	-	149,000	157,000	(8,000)	(5.10%)
8415 Property Taxes	-	79,844	-	79,844	76,956	2,888	3.75%
TOTAL OTHER	28,000	379,444	-	407,444	383,056	24,388	6.37%
FISCAL YEAR TOTALS	\$ 2,416,886	\$ 4,122,067	\$ 2,712,877	\$ 9,251,831	\$ 9,930,145	\$ (678,314)	(6.83%)

Finance and Administration Department Summary

The Finance and Administration Department is responsible for the financial management, administration of policies and procedures of the Greater Rockford Airport Authority. This includes financial and activity reporting on a monthly and annual basis, budget preparation and auditing. All accounting functions are conducted “in house,” which includes fund collection and disbursement, investment management and grant management. The Department also 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. An outside vendor conducts payroll activities, but the Department oversees all other payroll functions. 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, but not limited to, 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.

FYE07 Goals and Objectives

Two of the four goals from the prior year were met with improving the cash management to increase the return on investments and timely filing and closing out of all FAA, IDOT, and grant programs. The goals for the next year also include the two from the prior year.

1. Reevaluation and update to the personnel policy manual.
2. Research and investigate other revenue sources for Authority included but not limited to advertising and fuel farming.
3. Evaluation of current landing fee rates to ensure they adhere to proper costing principals as well as combined with the terminal use fee keep the airline cost per passenger below \$5.00.
4. Investigate and plan future funding strategies for large capital improvements and projects to be presented to the Planning and Finance Committee.

Finance and Administration Department Budget

CODE/LINE ITEM, Department 04	ACTUAL FYE02	ACTUAL FYE03	ACTUAL FYE04	ACTUAL FYE05	BUDGET FYE06	ESTIMATE FYE06	BUDGET FYE07
PERSONNEL SERVICES							
5400 Insurance	\$ 55,652	\$ 72,798	\$ 73,147	\$ 77,936	\$ 87,597	\$ 84,326	\$ 94,487
5401 Insurance-retirees	62,614	77,001	86,191	105,703	109,159	111,433	116,068
5450 Overtime	559	1,018	1,265	223	1,075	627	1,539
5500 Payroll taxes	54,385	62,002	64,702	56,929	43,357	71,117	55,188
5560 Pension contribution	69,466	40,701	71,644	66,661	54,372	49,359	55,913
5561 Pension contribution GRAA Pebsco	-	5,758	5,758	5,758	5,700	5,581	5,700
5600 Salaries/wages	564,127	617,306	632,534	570,850	563,144	565,305	653,044
5605 Outside labor	-	-	-	1,326	-	12,710	-
5750 Training	2,506	1,374	3,642	3,739	6,000	2,386	4,000
5800 Workers compensation insurance	-	-	-	5,027	4,955	4,212	5,764
5900 Uniforms	-	-	-	-	-	-	-
TOTAL PERSONNEL SERVICES	809,309	877,958	938,882	894,152	875,359	907,056	991,702
CONTRACTUAL SERVICES							
6050 Audit	16,456	18,691	14,797	18,894	17,830	20,484	25,000
6100 Building repair	213	891	-	1,760	2,000	-	2,000
6140 Conferences & meetings	4,270	12,085	9,836	11,877	12,575	8,540	54,500
6160 Consulting services	104,274	33,893	41,629	23,216	35,650	46,509	55,184
6165 Airshow contractual - performers and host	-	-	-	-	100,000	530,864	425,010
6200 Energy	-	-	-	-	-	-	-
6201 Energy-electric	25,236	30,427	28,209	18,906	20,500	31,832	27,000
6202 Energy-natural gas	8,626	9,761	10,824	12,563	15,000	12,384	15,000
6300 Engineering services	30,287	22,353	44,835	37,623	30,000	32,922	35,000
6320 Equipment maintenance	209	-	3,700	-	-	-	-
6321 Equip.maint-repairs/services	1,138	3,835	3,796	2,553	1,000	-	1,000
6322 Equip.maint-service contracts	9,458	7,223	2,891	7,802	8,150	9,402	15,950
6350 Equipment rental	1,752	1,892	1,857	6,459	9,104	15,455	65,718
6400 Insurance	155,804	237,339	346,114	242,599	254,100	247,228	247,000
6402 Insurance deductible	5,357	-	978	2,632	10,000	9,671	10,000
6440 Legal notices	3,853	5,739	7,578	5,314	6,850	3,886	6,850
6450 Legal services	-	-	-	-	-	-	-
6451 Legal services-general	25,052	35,868	32,695	46,335	35,400	32,803	40,000
6452 Legal services-personnel	44,108	24,273	25,762	29,154	45,000	55,258	25,000
6453 Legal services-other	10,599	46,778	20,086	3,300	9,960	2,160	3,000
6480 Licenses, titles & inspections - Airshow	-	-	-	-	-	-	2,500
6510 Medical exams	1,656	361	255	352	400	251	500
6540 Membership dues	21,650	23,310	23,500	37,621	22,425	23,364	39,700
6600 Other	8,386	13,607	10,373	9,002	8,000	10,812	9,000
6640 Payment services	8,844	9,958	8,828	8,087	7,900	8,176	7,900
6700 Postage	5,261	6,876	7,644	5,296	8,200	6,151	8,200
6730 Printing	4,297	7,668	10,213	5,950	5,800	7,016	32,050
6750 Telephone	-	-	-	-	-	-	-
6751 Telephone-cellular	768	2,866	3,080	3,599	3,500	3,590	4,400
6752 Telephone-local	9,792	11,510	17,762	25,350	27,840	30,090	39,200
6753 Telephone-long distance	2,240	1,658	3,000	5,805	5,850	4,700	5,000
6754 Telephone-pagers	450	168	143	-	-	-	-
6800 Travel & transportation	12,425	20,235	20,371	17,744	15,060	24,740	63,637
6850 Utilities	-	-	-	684	2,000	1,071	2,000
6900 Vehicle maintenance	-	-	-	-	750	-	500
TOTAL CONTRACTUAL SERVICES	522,461	589,266	700,757	590,476	720,844	1,179,359	1,267,799
COMMODITIES							
7100 Building repair	353	3,598	1,488	-	1,000	-	1,000
7140 Conferences & meetings	8,597	9,699	10,448	7,767	15,000	4,753	15,000
7200 Equipment	5,899	6,355	12,664	3,289	14,700	18,228	10,000
7380 Other	906	16	729	2,100	1,000	30	1,000
7540 Signage - Airshow	-	-	-	-	-	-	3,500
7580 Software	3,402	7,298	4,296	5,044	40,200	30,505	16,000
7600 Subscriptions	5,708	4,287	6,338	6,308	6,650	5,432	8,495
7750 Supplies-office	8,788	11,390	12,524	16,835	11,000	22,183	12,000
7780 Supplies-other - Airshow	-	-	-	-	-	-	49,650
7796 Supplies-promotional - Airshow	-	-	-	-	-	-	12,240
7901 Maint-licensed vehicles	267	2,049	224	-	500	-	500
TOTAL COMMODITIES	33,920	44,692	48,710	41,343	90,050	81,131	129,385
OTHER							
8200 Contingency	-	-	-	-	28,000	-	28,000
8350 Marketing	31,695	47,798	11,880	3,781	-	-	-
TOTAL OTHER	31,695	47,798	11,880	3,781	28,000	-	28,000
DEPARTMENT TOTAL	\$ 1,397,385	\$ 1,559,714	\$ 1,700,229	\$ 1,529,752	\$ 1,714,253	\$ 2,167,546	\$ 2,416,886

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 annual cost for the Authority at 80% is as follows by each type of coverage:

Employee = \$5,381

Employee + Spouse = \$10,156

Employee + Children = \$9,216

Family = \$14,003

Medicare Supp. D = \$2,126

Dental insurance

Monthly administration fee of \$5.20 per employee and eligible retiree plus estimated actual costs. The dental insurance is self funded.

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 \$.26/\$1000 and AD&D at \$.05/\$1000. Eligible retirees are also provided with a \$2,500 life insurance benefit.

Employees:

Health	83,837
Dental	5,658
Life	4,992
Total employee insurance	\$ 94,487

5401 Retiree insurance

Health	106,914
Dental	9,048
Life	106
Total retiree insurance	\$ 116,068

5450 Overtime

Estimated 80 hours of overtime for hourly employees.	\$ 1,539
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5500 Payroll taxes

FICA - 6.2% of base wage up to \$94,200	35,115
Medicare - 1.45% of base wage	9,606
State unemployment - 8.9% of the first \$11,000	10,466
Total payroll taxes	\$ 55,188

5560 Pension contribution

IMRF pension fund - 6.59%	\$ 55,913
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5561 Pension contribution GRAA Pepsco

Pepsco contribution for Executive Director (\$221 x 26pays)	\$ 5,700
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5600 Salaries

Commissioner stipends - Seven commissioners	12,600
Salaries - 10 full time employees	640,444
Total salaries	\$ 653,044

5750 Training

Continuing professional education (CPE's)	500
Human resources & supervision	500
Other training	500
Procurement/finance	1,000
Information technology training	1,500
Total training	\$ 4,000

5800 Workers compensation insurance

	\$ 5,764
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Finance and Administration Budget Justifications

CONTRACTUAL SERVICES

6050 Audit

Independent auditor	14,500
GFOA award applications	700
Grant audits	7,000
AFR production costs	2,800
Total audit	\$ 25,000

6100 Building repair

Structural repair of administration building.	\$ 2,000
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6140 Conferences & meetings

AAAE annual conference (2)	2,130
AAAE Board of Directors and Board of Examiners (4)	1,500
AAAE reimbursement	(1,500)
Airport Purchasing Group (APG) annual conference	150
Assoc. of Airport Internal Auditors (AAIA) annual conference	250
Council of 100, annual meeting	450
Illinois Public Airports (IPA), annual meeting	230
Chamber of Commerce, State of the City Luncheon	650
FAA aviation forecast conference	340
Airport finance conference	300
Great Lakes AAAE conference	1,195
Other conferences (\$300 ea)	1,500
Chamber economic summit conference	1,000
Other meetings- Executive Director	2,500
Business lunches/dinners (\$250/mo)	3,000
Airshow events	40,805
Total conferences & meetings	\$ 54,500

6160 Consulting services

Appraisal services	7,000
Information technology consultant - August Consulting	15,000
Other consultants-phone system, etc.	7,000
Accounting software consultant	3,000
Financial analyst, Kane McKenna	3,000
State affairs, Rockford Local Development	7,000
Flexstar 125 - \$57/mo	684
FTZ consultant	9,500
Custom programing -database	3,000
Total consulting services	\$ 55,184

6165 Airshow contractual - performers and host

\$ 425,010

6201 Energy-electric (60 Airport Dr.)

\$ 27,000

6202 Energy-natural gas (60 Airport Dr.)

\$ 15,000

6300 Engineering services

Cost for professional engineering services rendered by outside engineering firms.	
Crawford, Murphy & Tilly, Inc.	30,000
Other	5,000
Total engineering services	\$ 35,000

6321 Equip maint-repairs/services

\$ 1,000

6322 Equip maint-service contracts

Software support - Best FAS	650
Software support - MAS90	2,500
Software support - property management	1,300
Answering service -afterhours/weekends	3,000
Copy machine	4,800
Telephone system	3,700
Total equipment maintenance-service contracts	\$ 15,950

Finance and Administration Budget Justifications

6350 Equipment rental		2,700
Postage/scale meter lease (\$225/mo)		2,700
Copy machine (\$1,000/mo)		12,000
Airshow		50,818
Other		200
Total equipment rental		\$ 65,718
6400 Insurance		
Aviation liability		67,000
Automotive		23,000
Employee dishonesty		-
Property		83,000
Public officials liability		60,000
Airshow		14,000
Total insurance		\$ 247,000
6402 Insurance deductible		\$ 10,000
6440 Legal notices		
Publication costs for public notices, including bid documents, Treasurer's Report, personnel notices.		
Annual receipts & disbursement report		1,750
Bid documents (est \$500/ad-approx 10)		5,000
Public meeting notices		100
Total legal notices		\$ 6,850
6451 Legal services-general		\$ 40,000
6452 Legal services-personnel		\$ 25,000
6453 Legal services-other		\$ 3,000
6480 Licences, titles, inspections - Airshow		\$ 2,500
6510 Medical exams		\$ 500
6540 Membership dues		
Association of Airport Internal Auditors (AAIA)		125
American Association of Airport Executives (AAAE) (2)		450
AAAE Regulatory Membership		1,250
Airport Purchasing Group (APG)		50
American Certified Professional Accountants Society (AICPA)		150
Chamber of Commerce (Belvidere, Freeport, Loves Park-Machesney Park, & Rockford)		1,140
Council of 100		12,000
Employers Association		375
Government Finance Officers Assoc (GFOA) - 2		300
Greater Rockford Transportation Coalition (GRTC)		250
Growth Dimensions (Boone Co)		1,200
Illinois Certified Professional Accountants Society (ICPA)		240
Illinois Public Airports Association (IPAA)		2,000
McHenry County Economic Development Corp		500
National Institute of Governmental Purchasing (NIGP)		300
National Public Employers Labor Relations Assoc. (NPELRA)		200
National Purchasing Institute & Institute of Supply Mgmt (NPI&ISM)		180
National Association of Foreign Trade Zones (NAFTZ)		1,100
Prairie Shield Program		2,500
Other		205
Sam's club		135
Coalition Fees to RAVCB (1/3 cost for 3 years)		15,000
Wells Fargo Business Miles fee		50
Total membership dues		\$ 39,700
6600 Other - Contractual services not itemized in other accounts.		\$ 9,000

Finance and Administration Budget Justifications

6640 Payment services		6,000
Bi-weekly payroll processing & quarterly reports (\$500/mo est)		1,800
Bond paying agent (5 @ \$600)		100
Other		100
Total payment services		\$ 7,900
6700 Postage		
Overnight mail		1,000
Postage, metered (approx \$583/mo)		7,000
Other		200
Total postage		\$ 8,200
6730 Printing		
Checks, statements, HR forms		1,000
Enlarging, duplicating, binding		1,500
Christmas cards		800
Photographs		500
Business cards		1,000
Airshow		25,250
Miscellaneous		2,000
Total printing		\$ 32,050
6751 Telephone-cellular		\$ 4,400
6752 Telephone-local		
Local carrier		20,500
Remote internet connection		2,500
Answering service		6,000
Internet connection (T1 connection)		10,200
Total telephone - local		\$ 39,200
6753 Telephone-long distance		\$ 5,000
6800 Travel & transportation (airfare/hotel/per diem)		
Amounts include an estimate of \$600/trip airfare, lodging of \$140/night and M&I of \$40/day.		
<i>Executive Director</i>		
Airline recruitment (4t) (2n)		2,880
AAAE Board of Directors (4t) (4n)		2,640
AAAE Chapter (2t) (3n)		2,280
Other (3t) (2n)		2,880
AAAE Reimbursement		(1,500)
<i>Deputy Director of Admin/Fin</i>		
Annual conf, (4n)		1,320
Other (4n)		1,320
<i>Other staff</i>		
Other (4n)		1,320
Other (2t) (2n)		1,920
Airshow - performers		48,577
Total travel & transportation		\$ 63,637
6850 Utilities		
Water		1,000
Sewer		1,000
Total utilities		\$ 2,000
6900 Vehicle maintenance		
One departmental vehicle		500
Total vehicle maintenance		\$ 500
COMMODITIES		
7100 Building repair		
Materials for administration and operations building.		\$ 1,000

Finance and Administration Budget Justifications

7140 Conferences & meetings		
In-house lunch/meetings		4,000
Bottled water		1,000
Employee events		5,000
Meeting supplies		5,000
Total conferences & meetings		\$ 15,000
7200 Equipment		
Computers		5,000
Other		5,000
Total equipment		\$ 10,000
7380 Other - Commodities not itemized in other accounts.		\$ 1,000
7540 Signage - Airshow		\$ 3,500
7580 Software		
Payroll software		2,000
Other		14,000
Total software		\$ 16,000
7600 Subscriptions		
Aviation Daily		1,800
Basic Guide to Payroll		225
BNA - HR Services - website subscription		1,500
Chicago Tribune		250
Digicast email (AAAE)		425
Dish Network		500
Other (includes publications)		835
Payroll Manager's Guide/SS Guide		260
Rockford Register Star (1)		200
Web site and email hosting		2,500
Total subscriptions		\$ 8,495
7750 Supplies-office		
Copier & printer paper/fax cartridges		4,000
Office supplies		5,000
Stationery/envelopes for stock		2,000
Binding machine		1,000
Total supplies-office		\$ 12,000
7780 Supplies - other - Airshow		\$ 49,650
7796 Supplies - promotional - Airshow		\$ 12,240
7901 Maintenance-licensed vehicles		\$ 500
OTHER		
8200 Contingency		\$ 28,000

Operations and Facility Department Summary

The Operations and Facility Department is a multi-service department responsible for the operations, safety, security, repair, replacement and maintenance of the Authority's facilities including 9,955,450 sq. ft. of pavement (runways, taxiways, aprons, and roadways) that must be cleared of snow and kept free of all debris. Other critical duties include safety of the facility, which includes working with the local law enforcement and fire department, to ensure proper coverage and security by adhering to all necessary rules and regulations as required by the FAA and the Transportation Security Administration (TSA). This also includes badging and background checks of all people who have access to the airfields. The department is responsible for the maintenance of fifty vehicles and one hundred pieces of equipment. The department installs, replaces and repairs all lighting fixtures on runways, taxiways and aprons. They play a key role in all construction projects and oversee the operations of the glycol retention/treatment facility and the landfill.

FYE07 Goals and Objectives

Two of the three prior year goals were met with the transition to a 24 hour operation and expanding current positions to incorporation operational functions and to create a multitalented workforce who are capable of many functions.

1. Creation of project leaders for individual projects whereby empowering higher level staff to perform independently if needed. It is planned in the current year with the expanded workforce in the department this will now be possible.
2. Annual Part 139 Certifications received with no findings. This is an Authority goal as well and will be included annually going forward.
3. Transportation Security Administration security violations committed by RFD. The goal is to have none. This is an Authority goal as well and will be included annually going forward.
4. Upgrade current work order system to track and monitor staffing and material usage as well as identifying efficiencies for the department.
5. Streamline inventory by utilizing inventory software as well as parts tracking to only keep products necessary and reduce spoilage.
6. Create multiple year bids for high usage supplies such as janitorial, paper products and tires.

Operations and Facilities Department Budget

CODE/LINE ITEM, Department 05	ACTUAL FYE 02	ACTUAL FYE 03	ACTUAL FYE04	ACTUAL FYE05	BUDGET FYE06	ESTIMATE FYE06	BUDGET FYE07
PERSONNEL SERVICES							
5400 Insurance	\$ 103,318	\$ 122,036	\$ 136,078	\$ 131,164	\$ 245,157	\$ 151,399	\$ 252,004
5450 Overtime	39,491	32,294	46,944	74,421	62,389	95,794	57,515
5451 Double time	7,374	7,160	23,038	23,704	9,846	48,508	10,393
5500 Payroll taxes	54,680	53,075	58,179	59,840	99,510	66,751	108,121
5560 Pension contribution	34,622	38,307	76,982	82,021	83,296	63,045	73,082
5600 Salaries/wages	681,174	671,502	696,209	720,920	1,046,135	753,772	1,047,743
5605 Outside labor				22,493		96,314	
5610 Pager pay	2,914	7,800	7,850	2,700	2,600	2,520	2,600
5700 Tool allowance	1,850	1,750	1,800	1,800	1,800	1,800	1,800
5750 Training	1,003	395	1,068	1,600	10,800	-	10,800
5800 Workers compensation insurance	-	-	-	110,472	111,416	99,875	97,475
5900 Uniforms	6,421	4,625	4,564	4,026	5,356	3,927	5,460
5901 Uniforms-lost,damaged,replaced	-	2,623	392	-	500	44	500
5902 Uniforms-shoe allowance	806	594	741	647	1,125	379	-
5903 Uniforms-other	58	333	-	1,157	1,400	1,242	6,000
5904 Uniforms-eyeglasses	150	376	150	300	-	-	-
TOTAL PERSONNEL SERVICES	933,861	942,869	1,053,996	1,237,264	1,681,330	1,385,370	1,673,493
CONTRACTUAL SERVICES							
6040 Airfield repair	916	3,993	200	2,838	4,320	3,816	6,550
6100 Building repair	23,872	22,359	47,593	14,075	26,300	19,503	27,300
6140 Conferences & meetings	300	400	1,186	1,513	830	1,162	830
6161 ARFF contractual services					650,000	650,004	725,000
6162 ARFF training					30,000	97	30,000
6200 Energy	-	-	-	-	-	-	-
6201 Energy-electric	112,806	88,990	185,770	200,445	240,000	206,901	230,000
6202 Energy-natural gas	38,852	48,555	49,317	65,007	67,000	89,626	80,000
6320 Equipment maintenance	-	-	-	1,497	-	1,420	-
6321 Equip maint-repairs/services	5,958	13,907	34,436	32,840	24,760	29,177	21,260
6322 Equip maint-service contracts	8,899	7,907	6,185	7,417	135,800	76,482	122,500
6350 Equipment rental	8,623	13,713	15,343	18,283	15,840	18,292	15,840
6410 Landscaping	1,200		14	585	1,000	2,616	2,500
6480 Licenses, titles & inspections	834	1,007	1,863	2,478	2,850	2,954	3,550
6510 Medical exams	1,137	2,835	3,237	722	1,600	436	1,600
6540 Membership dues	295	-	-	225	675	420	675
6600 Other	27,067	20,571	1,080	52	1,000	1,886	1,750
6670 Permits & testing	700	1,497	10	500	1,250	180	1,250
6750 Telephone	-	-	-	-	-	-	-
6751 Telephone-cellular	913	6,269	9,887	9,442	13,000	12,490	13,000
6752 Telephone-local	6,715	6,726	7,739	7,860	10,150	7,229	7,200
6753 Telephone-long distance	286	262	344	242	500	5	300
6754 Telephone-pagers	956	614	430	-	-	-	-
6800 Travel & transportation	1,544	352	2,371	7,121	5,550	875	3,750
6850 Utilities	8,782	10,451	14,360	11,658	11,000	16,979	18,300
6900 Vehicle maintenance	11,901	9,655	4,591	982	11,500	3,757	9,200
6910 Weather Reporting					-	-	-
6950 Waste removal	16,025	14,303	14,307	14,645	13,750	13,475	13,750
TOTAL CONTRACTUAL SERVICES	278,581	274,365	400,262	400,428	1,268,675	1,159,780	1,336,105
COMMODITIES							
7100 Building repair	30,790	30,030	51,616	51,971	41,000	42,454	41,000
7140 Conferences & meetings	3,417	2,932	3,217	1,822	3,700	2,723	3,700
7200 Equipment	33,934	40,331	71,347	10,107	33,000	12,950	27,000
7240 Fence/gate	729	7,097	1,885	6,212	3,150	2,760	3,450
7270 Fuel	-	-	-	-	-	-	-
7271 Fuel-diesel	16,638	51,385	20,435	31,849	60,000	52,992	49,800
7272 Fuel-unleaded	17,521	17,114	21,279	22,240	50,000	37,880	38,700
7273 Fuel-other	195	556	286	393	570	517	700
7300 Landscaping	9,359	8,403	9,440	9,427	15,250	4,684	13,200
7380 Other	464	454	620	348	1,750	288	1,750
7400 Pavement marking	28,518	9,537	5,806	17,772	25,000	16,066	25,000
7440 Pavement repair	43,219	1,738	9,596	707	7,000	1,814	7,000
7500 Raw materials	2,988	1,971	2,841	1,361	2,200	-	2,200
7501 Raw materials-deicing only	166,825	97,698	204,112	206,009	216,880	278,323	219,640
7540 Signage	218	1,317	12,209	5,631	7,000	2,239	7,000
7580 Software	-	9,330	1,650	179	1,000	132	15,000
7600 Subscriptions	1,143	1,635	1,221	248	1,035	742	1,035
7660 Supplies-janitorial	9,219	11,220	10,371	18,656	30,000	22,691	26,500
7690 Supplies-lighting/electrical (airside)	43,597	20,900	46,336	81,035	73,800	110,465	110,700

Operations and Facilities Department Budget

CODE/LINE ITEM, Department 05	ACTUAL FYE 02	ACTUAL FYE 03	ACTUAL FYE04	ACTUAL FYE05	BUDGET FYE06	ESTIMATE FYE06	BUDGET FYE07
7720 Supplies-snow removal wafers, ploy-steel blades	-	-	-	22,486	38,575	51,396	38,575
7750 Supplies-office					2,250	2,171	1,850
7780 Supplies-other	2,662	2,591	3,503	4,900	4,330	8,407	9,800
7782 Supplies-hardware	5,837	2,705	9,567	9,274	7,675	7,398	8,150
7784 Supplies-other (parking)	-			-	-	-	-
7810 Supplies-specialty					8,540		10,000
7830 Supplies-steel stock	921	1,775	2,311	1,557	2,700	578	2,700
7850 Supplies-storm sewer/drain	-	18	320	-	1,000	-	2,000
7880 Supplies-welding	2,812	1,273	1,447	468	2,400	1,116	2,400
7900 Vehicle maintenance	38,916	10,983	19,765	25,592	-	7,973	-
7901 Maint-licensed vehicles	5,466	10,357	5,232	10,015	8,025	11,994	8,025
7902 Maint-equipment	60,428	60,471	35,501	33,926	56,150	49,994	56,150
TOTAL COMMODITIES	525,817	403,820	551,914	574,181	703,980	730,750	733,025
OTHER							
8200 Contingency	-	-	-	-	-	-	-
8400 Glycol retention treatment facility	106,332	83,139	69,063	77,731	121,100	103,663	150,600
8410 Landfill environmental costs	113,446	155,416	175,728	145,508	157,000	107,887	149,000
8415 Property taxes	(79,107)	57,137	100,649	57,902	76,956	79,466	79,844
TOTAL OTHER	140,671	295,692	345,439	281,141	355,056	291,016	379,444
DEPARTMENT TOTAL	\$ 1,878,930	\$ 1,916,746	\$ 2,351,611	\$ 2,493,014	\$ 4,009,041	\$ 3,566,917	\$ 4,122,067

Operations and Facilities Department Justifications

PERSONNEL SERVICES

5400 Insurance

Health, dental and life insurance costs for employees.

Health insurance

The annual cost for the Authority at 80% is as follows by each type of coverage:

Employee = \$5,381

Employee + Spouse = \$10,156

Employee + Children = \$9,216

Family = \$14,003

Dental insurance

Monthly administration fee of \$5.20 per employee plus estimated actual costs. The dental insurance is self funded.

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 \$.26/\$1000 and AD&D at \$.05/\$1000.

Health	226,930
Dental	15,778
Life	9,296
Total employee insurance	\$ 252,004

5450 Overtime

Estimated 2,050 hours of overtime for hourly employees. \$ 57,515

5451 Double time

Estimated 240 hours of overtime for hourly employees. \$ 10,393

5500 Payroll taxes

FICA - 6.2% of base wage up to \$94,200	69,402
Medicare - 1.45% of base wage	16,241
State unemployment - 8.9% of the first \$11,000	22,479
Total payroll taxes	\$ 108,121

5560 Pension contribution

IMRF pension fund - 6.59% \$ 73,082

5600 Salaries

Includes 16 full time employees, 2 interns, and 2 seasonal employees (+5 open positions) \$ 1,047,743

5610 Pager pay (2ee @ \$50/wk)

\$ 2,600

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

\$ 1,800

5750 Training

Oshkosh (OTC/DDEC) (1ee)	1,200
Honeywell (Regulators/NAVAIDS) (1ee)	4,000
Rock Valley (job related - Tech I, II, III) (4 @ 250)	1,000
Environmental (2ee)	1,000
Airport security coordinator	300
Other	2,000
Security system training	1,300
Total training	\$ 10,800

5800 Workers compensation insurance

\$ 97,475

5900 Uniforms

21ee @ \$5/week \$ 5,460

5901 Uniforms - lost/damage/replacement

\$ 500

Operations and Facilities Department Justifications

5903 Uniforms - other		6,000
Work gloves		3,000
Coats/caps		-
Total other uniforms		<u>\$ 6,000</u>
CONTRACTUAL SERVICES		
6040 Airfield repair		
Contractual services for repairs to lighting system, pavement surfaces and plumbing systems.		<u>\$ 6,550</u>
6100 Building repair		
Contractual service costs for the repair or modification to various airport owned and maintained buildings including pest control.		
Overhead door repairs		3,000
Automatic door repairs (Terminal vestibules)		2,000
Pest control		4,100
Rug runners/terminal entrance carpet		4,000
Bldg security (Term, Prof, Ops) Fire/ADT/107.14		4,000
Sewer/drainage jetting and pumping		6,700
Other		3,500
Total building repair		<u>\$ 27,300</u>
6140 Conferences & meetings		<u>\$ 830</u>
6161 ARFF contractual services		
Contract with the City of Rockford for all ARFF services.		<u>\$ 725,000</u>
6162 ARFF training		
Training for City of Rockford fire department employees for airport ARFF procedures.		
Annual live burn training, simulator & fuel & related expenses		24,500
Training equipment, CDs		1,000
ARFF training		1,600
Conferences (5n, 2ee)		2,400
Other		500
Total ARFF training		<u>\$ 30,000</u>
6201 Energy-electric		<u>\$ 230,000</u>
6202 Energy-natural gas		<u>\$ 80,000</u>
6321 Equip maint-repairs/services		
Furnaces/AC units		3,500
Terminal HVAC chiller		3,500
Equipment		4,225
Radio repairs		1,000
Scan system for rwy/twy		8,785
Vehicle light bar Z60 (convert lights to all yellow)		250
Total equipment maintenance-repairs/services		<u>\$ 21,260</u>
6322 Equip maint-service contracts		
Copy machine contracts		1,000
Elevator service contract		5,100
SCAN system contract		3,200
Telephone		500
Support services		109,200
Plant service (Terminal)		2,500
Other		1,000
Total equipment maintenance-service contracts		<u>\$ 122,500</u>

Operations and Facilities Department Justifications

6350 Equipment rental	
Non-owned specialty equipment.	
Aerial 80' lift for apron lighting (UPS)	9,600
Interior high lift for terminal lighting	2,900
Backhoe	1,000
Compactor	75
Pavement milling machine	800
Core aerator	100
Slit seeder	75
Pup roller	500
Fire hydrant 1" water meter (yearly)	200
Other	500
Total equipment rental	<u>\$ 15,840</u>
6410 Landscaping	<u>\$ 2,500</u>
6480 Licenses, titles & inspections	
Yearly license renewal on all applicable vehicles and trailers and any necessary semiannual inspection.	
Rolling stock yearly license plates	400
Trucks/trailers semi-annual inspections	150
Title services	300
Other	1,000
Fire extinguishing test	1,700
Total license, titles & inspections	<u>\$ 3,550</u>
6510 Medical exams	<u>\$ 1,600</u>
6540 Membership dues	
AAAAE	225
Aircraft rescue & fire	125
Great lakes chapter AAAE	25
Water Environment Federation	300
Total membership dues	<u>\$ 675</u>
6600 Other - Contractual costs not itemized in other accounts.	<u>\$ 1,750</u>
6670 Permits & testing	
Backflow preventors	750
UPS sanitary lift station certification	500
Total permits & testing	<u>\$ 1,250</u>
6751 Telephone-cellular	<u>\$ 13,000</u>
6752 Telephone-local	<u>\$ 7,200</u>
6753 Telephone-long distance	<u>\$ 300</u>
6800 Travel & transportation	
Airport security coordinator	250
Security system training (travel, lodge, meals)	500
Other conferences (3ee)	3,000
Total travel & transportation	<u>\$ 3,750</u>
6850 Utilities	
Water (8 meters)	9,500
Sewer (5 meters)	8,800
Total utilities	<u>\$ 18,300</u>

Operations and Facilities Department Justifications

6900 Vehicle maintenance

Outside contractual maintenance services for departmental vehicles.	
Brake rotors turned	
Hydraulic pumps/motors/valves/cylinders rebuilt	
Specialty fabrication/machine work	
Front end alignments	
Split-rim tire repairs	
Total vehicle maintenance	\$ 9,200

6950 Waste removal

Biohazard	660
Debris and extra dumpster pick-ups	6,000
Environmental	5,000
Used parts/oil/fuel filters	1,000
Other	1,090
Total waste removal	\$ 13,750

COMMODITIES

7100 Building repair

Materials used in connection with the maintenance of all Authority owned building not covered by tenant leases	\$ 41,000
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7140 Conferences & meetings

Water rental and delivery	1,300
Meals for snow removal crews	1,900
Miscellaneous	500
Total conferences & meetings	\$ 3,700

7200 Equipment

Printer (2)	750
Other (hand tools/rakes/shovels/small power tools)	5,000
Furniture	3,500
Tools - hand	4,000
Tools - appliances (valves, nozzles)	3,000
Hose	6,000
Hardware	1,400
Battery replacement	700
Digital camera	550
Vehicle lights Z60 (flood lights)	400
Wildlife (cracker shells, live shot)	450
Wildlife (misc)	1,250
Total equipment	\$ 27,000

7240 Fence/gate - perimeter fence and gate supplies

\$ 3,450

7271 Fuel-diesel - 30,000g @ 1.66/g

\$ 49,800

7272 Fuel-unleaded - 18,000g @ 2.15/g

\$ 38,700

7273 Fuel-other

\$ 700

7300 Landscaping

Supplies associated with turf maintenance of all Authority grounds not covered in tenant lease.	\$ 13,200
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7380 Other - Costs of commodities not itemized in other accounts.

\$ 1,750

Operations and Facilities Department Justifications

7400 Pavement marking		
High visibility marking paint	17,000	
Glass sphere beads	5,000	
Other	3,000	
Total pavement marking	<u>\$ 25,000</u>	
7440 Pavement repair		
Includes joint sealer, primers, asphalt, stone, backing rod, rubber seals and other materials directly associated with pavement repair.		<u>\$ 7,000</u>
7500 Raw materials		
Sand	1,700	
Gravel	500	
Total raw materials	<u>\$ 2,200</u>	
7501 Raw materials-deicing only		
Potassium acetate	130,000	
Road salt	9,120	
Urea	75,000	
Sidewalk ice melt	5,520	
Total raw materials-deicing only	<u>\$ 219,640</u>	
7540 Signage		
Repair & replacement of signage for buildings, infield roadways and airfield directional inserts.		<u>\$ 7,000</u>
7580 Software		
Includes upgrades to maintenance related software.		15,000
Total software		<u>\$ 15,000</u>
7600 Subscriptions		
Email subscription \$30/group/monthly	360	
Rockford Register Star	200	
Other	400	
West group	75	
Total subscriptions	<u>\$ 1,035</u>	
7660 Supplies-janitorial		
Roll towels	4,000	
Toilet paper	5,600	
Hand towels	2,000	
Cleaners	10,000	
Strippers/waxes	1,500	
Mop heads/brushes/brooms/bags/etc	3,400	
Total supplies-janitorial	<u>\$ 26,500</u>	
7690 Supplies-lighting/electrical (airside)		
Repair and replacement of existing runway, taxiway, and apron lighting systems.		<u>\$ 110,700</u>
7720 Supplies-snow removal wafers/poly-steel blades		
Snow removal supplies were recorded as equipment and have been reclassified as supplies because of the disposable nature of the supplies.		<u>\$ 38,575</u>
7750 Supplies-office - badges etc.		<u>\$ 1,850</u>
7780 Supplies-other		
Other supplies not itemized in other accounts and to include Terminal seasonal decorations.		<u>\$ 9,800</u>
7782 Supplies-hardware (expendable supplies)		<u>\$ 8,150</u>

Operations and Facilities Department Justifications

7810 Supplies-specialty		<u>\$ 10,000</u>
	ARFF fire suppressant chemical	
7830 Supplies-steel stock		<u>\$ 2,700</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>\$ 2,000</u>
7880 Supplies-welding		<u>\$ 2,400</u>
7901 Maintenance-licensed vehicles		
	Supplies for approximately 15 vehicles.	<u>\$ 8,025</u>
7902 Maintenance-equipment		
	Supplies for repair of Authority equipment.	<u>\$ 56,150</u>
 OTHER		
8400 Glycol retention treatment facility		
	Electric	120,000
	Testing	5,200
	Equipment service and repairs	2,400
	Chemicals	15,300
	Consulting	2,500
	Supplies	3,350
	Equipment (non-capital)	1,850
	Total glycol retention treatment facility	<u>\$ 150,600</u>
8410 Landfill environmental costs - legal and engineering costs		<u>\$ 149,000</u>
8415 Property taxes		
	Property taxes paid for Authority owned properties including land and improvements.	<u>\$ 79,844</u>

Air Service Development Department Summary

The Air Service Development Department promotes domestic and international air service for scheduled airlines, air charters and air cargo. The plan of the department and the Authority is to develop and grow air service in the following sectors: scheduled airline, air charter, and air cargo; both domestic and international. The department will identify opportunities in all three sectors of air service. The terminal facility of the Greater Rockford Airport will be maximized with greater utilization of air charter, and scheduled air services.

FYE07 Goals and Objectives

Some of the prior year goals were met but will continue year after year in our effort to grow passenger and cargo operations at RFD. As a result of these meetings Allegiant Air began service in November 2005. Also communications with local corporations and the travel agencies to make them aware of what RFD has to offer will continue.

1. Meet with five low-cost carriers to secure new service.
2. Develop and enhance "Milesahead" program to increase members of loyalty rewards program.
3. Network with the travel agency community for the support of air service.
4. Work to secure additional cargo operators through meetings, association, and freight forwarders.
5. Continually evolve marketing plan for the region in support of air service.

Air Service Department Budget

CODE/LINE ITEM, Department 07	ACTUAL FYE03	ACTUAL FYE04	ACTUAL FYE05	BUDGET FYE06	ESTIMATE FYE06	BUDGET FYE 07
	(9 1/2 mos.)					
PERSONNEL SERVICES						
5400 Insurance	\$ 7,017	\$ 10,479	\$ 12,030	\$ 42,590	\$ 27,229	\$ 31,229
5500 Payroll taxes	3,503	7,346	6,765	13,548	11,072	15,493
5560 Pension contribution	2,743	9,309	9,366	12,151	9,711	11,104
5600 Salaries/wages	48,754	98,073	95,775	162,229	143,489	168,503
5750 Training	875	763	-	1,350	-	1,350
5800 Workers compensation insurance	-	-	1,255	1,447	1,049	1,503
TOTAL PERSONNEL SERVICES	62,892	125,970	125,192	233,315	192,549	229,182
CONTRACTUAL SERVICES						
6020 Advertising	-	31,172	-	-	-	-
6021 Ad-Television	-	-	51,969	155,940	130,678	100,000
6022 Ad-Radio	-	-	252,992	204,390	152,902	90,000
6023 Ad-Billboards	-	-	66,147	64,065	59,065	140,000
6024 Ad-Direct	-	-	8,400	-	11,990	15,000
6025 Ad-Promotions	-	-	51,308	494	10,215	5,000
6026 Ad-Print	-	-	94,508	203,038	269,531	140,000
6120 Charter program	-	45,680	-	-	-	-
6121 MilesAhead program	-	511,066	111,073	568,193	437,724	60,000
6140 Conferences & meetings	725	6,025	11,951	10,450	5,466	16,200
6145 Air service start up	-	-	22,777	25,000	21,845	-
6150 Revenue guarantee	-	-	2,000,000	2,471,620	1,626,293	1,750,000
6160 Consulting services	-	2,200	46,197	183,508	157,385	55,500
6510 Medical exams	22	-	29	-	48	-
6540 Membership dues	180	430	230	810	774	810
6600 Other	-	519	1,073	1,000	504	1,000
6700 Postage	-	3,291	2,065	6,000	23	400
6730 Printing	-	4,567	19,174	16,075	9,735	36,575
6750 Telephone	-	-	-	-	-	-
6751 Telephone-cellular	579	1,055	1,417	1,500	1,722	1,500
6752 Telephone-local	586	1,903	2,816	4,308	1,049	1,700
6753 Telephone-long distance	447	864	39	200	-	200
6800 Travel & transportation	5,457	10,157	13,465	13,575	11,921	15,340
TOTAL CONTRACTUAL SERVICES	7,996	618,929	2,757,628	3,930,166	2,908,870	2,429,225
COMMODITIES						
7140 Conferences & meetings	412	755	380	10,500	1,724	15,500
7200 Equipment	3,219	708	276	2,500	739	2,500
7380 Other	36	189	2,266	1,000	360	1,000
7600 Subscriptions	27	1,100	217	120	498	720
7750 Supplies-office	1,473	-	-	250	104	750
7796 Supplies-promotional	-	29,533	17,725	29,000	13,644	34,000
TOTAL COMMODITIES	5,167	32,285	20,863	43,370	17,070	54,470
DEPARTMENT TOTAL	\$ 76,055	\$ 777,185	\$ 2,903,683	\$ 4,206,851	\$ 3,118,489	\$ 2,712,877

Air Service Development Budget Justifications

PERSONNEL SERVICES

5400 Insurance

Health, dental and life insurance costs for employees.

Health insurance

The annual cost for the Authority at 80% is as follows by each type of coverage:

Employee = \$5,381

Employee + Spouse = \$10,156

Employee + Children = \$9,216

Family = \$14,003

Dental insurance

Monthly administration fee of \$5.20 per employee plus estimated actual costs. The dental insurance is self funded.

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 \$.26/\$1000 and AD&D at \$.05/\$1000.

Health	28,007
Dental	1,860
Life	1,362
Total employee insurance	\$ 31,229

5500 Payroll Taxes

FICA - 6.2% of base wage up to \$94,200

10,246

Medicare - 1.45% of base wage

2,443

State unemployment - 8.9% of the first \$11,000

2,804

Total payroll taxes

\$ 15,493

5560 Pension contribution

IMRF pension fund - 6.59%

\$ 11,104

5600 Salaries

Includes 2 full time employee and 1 intern

\$ 168,503

5750 Training

Website-Database maintenance/design

\$ 1,350

5800 Workers compensation insurance

\$ 1,503

CONTRACTUAL SERVICES

Advertising

Advertising associated with airline, charter and/or cargo service and FTZ promotion. Includes \$40,000 for Airshow advertising.

6021 Television	100,000
6022 Radio	90,000
6023 Billboards	140,000
6024 Direct	15,000
6025 Promotions	5,000
6026 Print	140,000
Total advertising	\$ 490,000
 6121 MilesAhead program	 \$ 60,000

Air Service Development Budget Justifications

6140 Conferences & meetings	<u>500</u>
AAAAE annual conference	500
AAAAE Great Lakes Chapter annual conference	700
AAAAE National Air Service conference	500
ACI-NA Air Service conference	750
Routes-The World Route Development Forum	1,200
Lunch meetings, corporate (5 @ \$20/person/mo)	1,200
TIACA -International air cargo conference trade booth	6,000
Lunch meetings with visiting airlines & leaders	1,000
Travel agent educational receptions (4 @ \$900)	3,600
Air show conference	750
Total conferences & meetings	<u>\$ 16,200</u>
 6145 Air service start up	 <u>\$ -</u>
 6150 Revenue guarantee	 <u>\$ 1,750,000</u>
 6160 Consulting services	
Consulting services for marketing development.	8,750
Airline presentation statistical data	4,500
Website update & production	4,000
Ad designer/consultant	12,000
Photography services	1,250
Design firm/marketing production	25,000
Total consulting services	<u>\$ 55,500</u>
 6540 Membership dues	
American Association of Airport Executives (AAAAE)	225
Corporate Travel Association (CTA)	125
Great Lakes Chapter AAAE	25
International Air Cargo Assoc. of Chicago (IACAC)	135
Other	300
Total membership dues	<u>\$ 810</u>
 6600 Other - Contractual services not itemized in other accounts.	 <u>\$ 1,000</u>
 6700 Postage	
Mailings, travel agents & charter (1,000 x\$.40)	<u>\$ 400</u>
 6730 Printing	
Brochures, reprints (450 @ \$3.50)	1,575
Printing, enlarging	25,000
Photographs	2,500
Presentations (6 @ \$500)	3,000
Customer service lounge	3,000
Other	1,500
Total printing	<u>\$ 36,575</u>
 6751 Telephone-cellular	 <u>\$ 1,500</u>
 6752 Telephone-local	 0
Remote internet connection	1,700
Total telephone-local	<u>\$ 1,700</u>
 6753 Telephone-long distance	 <u>\$ 200</u>

Air Service Development Budget Justifications

6800 Travel & transportation

Amounts include an estimate of \$600/trip airfare, lodging of \$140/night and M&I of \$40/day.

Airline recruitment (4 meetings)/Airshow conference	4,980
AAAE annual conference	1,580
Great Lakes Chapter AAAE	1,335
AAAE National Air Service conference	1,580
ACI-NA Air Service conference	1,580
Routes-The World Route Development Forum	2,160
Boyd conference	1,000
Mileage (2,500 @ \$.45/mi)	1,125
Total travel & transportation	<u>\$ 15,340</u>

COMMODITIES

7140 Conferences & meetings

In-house luncheon meetings	1,500
Anniversary/Inaugural events	10,000
Local sponsorship (Winter Rocks, Chamber of Commerce, On The Waterfront)	4,000
Total conferences & meetings	<u>\$ 15,500</u>

7200 Equipment- replacement of laptop

\$ 2,500

7380 Other - Commodities not itemized in other accounts.

\$ 1,000

7600 Subscriptions

Email hosting service \$30/month	720
	<u>\$ 720</u>

7750 Supplies-office

Shipping via UPS	750
	<u>\$ 750</u>

7796 Supplies-promotional

Promotional items endorsing airport awareness and customer service lounge.

Shirts, hats, pens, coasters, lanyards, coloring books, etc	30,000
Tenant gifts	4,000
	<u>\$ 34,000</u>

Non-Operating Revenues and Expenses Budget

CODE/LINE ITEM	ACTUAL FYE02	ACTUAL FYE03	ACTUAL FYE04	ACTUAL FYE05	BUDGET FYE06	ESTIMATE FYE06	BUDGET FYE07
NON-OPERATING REVENUE							
9000 Annexation agreement	\$ 130,417	\$ 130,214	\$ 127,975	\$ 125,239	\$ 125,000	\$ 135,547	\$ 130,000
9100 Interest income	200,728	123,094	93,680	179,239	100,000	258,979	100,000
9200 Taxes-property (operating levy)	2,304,120	2,379,440	2,447,314	2,549,793	2,678,816	2,656,717	2,959,154
9205 Property tax interest (operating levy)	1,428	1,700	881	841	1,000	3,924	1,000
9210 Taxes-property (debt service levy)	5,598,610	5,683,178	6,011,038	6,259,881	6,474,471	6,464,965	5,506,150
9215 Property tax interest (debt service levy)	3,469	4,061	2,164	2,064	2,000	9,549	2,000
9250 Taxes-corporate replacement	335,141	319,193	354,539	404,089	300,000	454,535	400,000
9285 Air service campaign	-	-	261,066	475,727	-	-	-
TOTAL REVENUE	8,573,912	8,640,880	9,298,658	9,996,873	9,681,287	9,984,217	9,098,304
NON-OPERATING EXPENSES							
9500 Interest expense	1,744,834	1,241,663	857,213	517,094	441,327	352,697	176,118
9720 Bad debt expense			2,920	14,270	-	-	
9800 Other debits			478,218	-	-	138,825	
9810 Loss on asset disposal			2,379	9,147	-	-	
TOTAL EXPENSES	1,744,834	1,241,663	1,340,731	540,511	441,327	491,522	176,118
NET TOTAL	\$ 6,829,078	\$ 7,399,217	\$ 7,957,927	\$ 9,456,362	\$ 9,239,960	\$ 9,492,695	\$ 8,922,186
OTHER CAPITAL CONTRIBUTIONS							
9270 Passenger facility charges	4,374	6,190	74,080	58,549	346,585	157,751	296,640
9260 Funds from auctioned equipment	7,356	47,787	9,351	573	5,000	9,575	10,000
TOTAL CONTRIBUTIONS	\$ 11,730	\$ 53,977	\$ 83,431	\$ 59,122	\$ 351,585	\$ 167,326	\$ 306,640

Non-Operating Revenues and Expenses Budget Justifications

NON-OPERATING REVENUE

9000 Annexation agreement

The Annexation Agreement (section 7.3D) dated 2 April 1991 by and between the City of Rockford and the Greater Rockford Airport Authority, stipulates the City shall pay to the Authority 30 percent of the real property taxes levied by the City upon the Authority.

\$ 130,000

9100 Interest income

Interest earned on all bank deposits and investments.

\$ 100,000

9200 Taxes-property (operating levy)

FYE06 Tax Levy Ordinance #05-03 (CY).

\$ 2,959,154

9205 Property tax interest (operating levy)

Interest received on the operating tax levy.

\$ 1,000

9210 Taxes-property (debt service levy)

Per Bond Levy schedules via Ordinances.

\$ 5,506,150

9215 Property tax interest (debt service levy)

Interest received on the debt tax levy.

\$ 2,000

9250 Taxes-corporate replacement

Personal Property Replacement Tax (PPRT) revenue received from the Illinois Department of Revenue (estimate).

\$ 400,000

NON-OPERATING EXPENSES

9500 Interest expense

Budgeted interest expense is itemized as follows:

General obligation bonds

\$ 156,150

Revenue bond

\$ 19,968

Total interest expense

\$ 176,118

OTHER CAPITAL CONTRIBUTIONS

9270 Passenger facility charges

Projected FY2006 passenger enplanements

103,000

Passenger facility charge (\$3 less expenses)

\$ 2.88

\$ 296,640

9260 Funds from auctioned equipment

\$ 10,000

FY2007 Capital Budget

	Amount
Capital Improvements	
1 *Operations building bay roof replacement * <i>Lower roof was done FYE04 with new built-up application. This section has been re-sealed only. Weather-proofing fiber is showing through and deteriorating. Minor leaks are becoming more frequent and with the addition of new roof protrusions with the FIS project, even small leaks in the future would be much more damaging.</i>	\$ 18,000
2 Kitchen renovation- 1st floor <i>Renovation of the existing kitchen on the first floor in the terminal including moving stove, range hood, fire code upgrades and steam tables.</i>	50,000
3 *Terminal road and building signage upgrade * <i>Reface the existing sign in front of the terminal to new name and information. Add signage to exterior and interior of terminal. Possibly upgrade remote signage also.</i>	57,500
4 *Roof repair/east section - terminal building*	10,000
5 *Straight Shot building roof repair * <i>Roof is covered with steel sheeting. There is no paint remaining and is rust covered. It needs to be resurfaced to preserve the integrity of the steel.</i>	15,000
6 Lateral sanitary sewer line to SW airfield <i>Necessary to market and develop the airport midfield area.</i>	200,000
7 Lighting upgrades <i>A result of energy audit with a payback of approximately 3 years.</i>	65,000
8 Fuel Tank Removal <i>EPA required removal of fuel tank vehicle service facility.</i>	25,000
9 Restroom renovation <i>Includes plumbing, stalls, fixtures and sinks including stripping floors.</i>	40,000
10 Terminal building tile - remainder of 1st floor	30,000
12 Carpet replacement - formerly Lameres dining area	20,000
13 Passenger seating - replacement and upgrade	30,000
Total Capital Improvements	\$ 560,500
 Capital Outlay	
1 *Industrial floor scrubber * <i>To clean large area concrete floors, sidewalks and storage areas with more efficient time and man-power utilization.</i>	21,000
2 *Backhoe/loader replacement * <i>Replacement for Ford Loader # 84 which is in very poor condition. By replacing the loader with a backhoe, yearly operating rental casts will be reduced and will still have loading capabilities. (#84 is used for loading salt trucks during snow/ice events.)</i>	90,000
3 Computer hardware and other related equipment <i>Replacement of etherwan switches, upgrade radio for increased wireless access, initial WiMax infrastructure formation.</i>	24,500
4 Administration fiber upgrade <i>Current copper is failing; the plan is to run fiber from Admin to road and back to terminal D mark.</i>	50,000
5 Computer replacements <i>Replacement for computers utilizing our 3year plan.</i>	15,000
6 4x4 Pickup, 1 ton diesel, dually with dump box <i>Replacement of vehicle #19, includes plow and spreader.</i>	32,000
7 Surface grinder <i>Replacement surface prep sand blasting machine for paint stripe removal.</i>	3,500
8 Routing machine <i>Replacement of pavement crack router machine.</i>	9,000
9 4x4 Pickup, 1 ton diesel, dually with dump box <i>Replacement of vehicle #26, includes plow and spreader.</i>	32,000
10 Airshow equipment <i>Seating, fencing, barricades and standards.</i>	15,000
11 Box leveler <i>Necessary for ground prep for events such as Airshow.</i>	6,000
12 Utility tractor - \$40,000 <i>Replacement of 1982 John Deere front wheel assist utility tractor.</i>	
Total Capital Outlay	\$ 298,000
 Glycol Improvements	
<i>Gate and monitoring equipment upgrade.</i>	75,000
Total Glycol Improvements	\$ 75,000

FY2007 Capital Budget

	Amount
Grant Service	
<i>Total Cost</i>	
1 Terminal facility improvements - Phase 4 <i>Escalators, restroom rehab, automatic doors.</i>	\$ 425,000 21,250
2 Runway 1/19 RIAT/RSA improvements - Phase 2 <i>Rehabilitate taxiway "F" (Txy "A" to 1/19) & Txy bravo-north and relocate Falcon Road</i>	\$ 383,741 9,594
3 NW quadrant air cargo apron - Construct, light and mark <i>Includes grading and drainage.</i>	\$ 8,500,000 212,500
4 Jetways 4 & 5 <i>Jetways for fourth loading area in terminal and for the international arrival gate.</i>	\$ - 50,000
5 *Master plan update * <i>Carryover from prior year.</i>	\$ 250,000 125,000
6 NW quadrant entrance road <i>Includes auto parking lot with grading and drainage.</i>	\$ 500,000 100,000
7 Terminal facility improvements - Phase 5 - \$300,000 <i>Subject to MP preliminary analysis.</i>	\$ 4,000,000 -
8 Rehabilitate taxiway "F" (Txy "A" to 1/19) & Txy bravo-north - Phase 2 <i>Improvements for runway safety areas of critical concern for the FAA..</i>	\$ 5,700,000 142,500
Total Grant Service	\$ 660,844
 Total Capital Expenditures	 \$ 1,594,344

* Carryover from prior year do to change in priorities and work not yet complete at year end.

Exhibit 1

Tentative Budget and Appropriation Ordinance

GREATER ROCKFORD AIRPORT AUTHORITY

RESOLUTION NO. 06-12

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, 2005 and ending April 30, 2006;

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, 2006 and ending April 30, 2007 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, 2006 and ending April 30, 2007 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 13, 2006 at 5:25 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.

Tentative Budget and Appropriation Ordinance

RESOLUTION NO. 06-12

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 Provenzano moved, seconded by Commissioner Gulley that Resolution Number 06-12 be adopted.

	<u>Vote</u>		<u>Vote</u>
Eugene H. Allen	__Y__	Peter Provenzano	__Y__
Nicholas Ancona	__A__	Gwyn Gulley	__Y__
Bradley O. Bennett	__Y__	Bharat Puri	__A__
Michael P. Dunn	__Y__		

ADOPTED this 23rd day of February, 2006 by the Chairman and the Board of Commissioners of the Greater Rockford Airport Authority, Winnebago County, Illinois.

(signed 23 February 2006
Michael P. Dunn, Chairman

ATTEST:

(signed 23 February 2006
Eugene H. Allen, Treasurer

Exhibit 2
Rates and Charges Ordinance

Landing Fee

Greater than 120,000,000 pounds annual landed weight	\$1.641/1,000lbs
Less than 120,000,000 pounds annual landed weight	\$1.964/1,000lbs

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	\$.06/gallon
Class B	
Permit	\$600.00
Flowage Fee	\$.08/gallon
Class C	
Permit	\$375.00
Flowage Fee	\$.08/gallon

Common Use, Airport-Controlled Gates and International Facilities Usage

Signatory and Charter Flights

50 seats or less	\$106.40
51 to 110 seats	\$169.60
111 to 150 seats	\$275.20
151 to 200 seats	\$370.40
201 to 250 seats	\$476.00
251 or more seats	\$634.40

Signatory airlines with more than 5,200 available seats or 100 or more departures per month will be charged \$50.00 terminal usage fee per flight.

Non-signatory and Charter Flights

50 seats or less	\$133.00
51 to 110 seats	\$212.00
111 to 150 seats	\$344.00
151 to 200 seats	\$463.00
201 to 250 seats	\$595.00
251 or more seats	\$793.00

This would include ramp fees, jetway use, baggage claim use, ticket counter/computer use, office space and public safety fee.

Passenger Facility Charge (PFC)

Per passenger fee	\$3.00
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Escort fee per 1/2 hour minimum

\$25.00

Incinerator fee per use

\$175.00

Incinerator non-compliance fee per offense up to 5

\$100.00

Incinerator non-compliance fee per offense greater than 5

\$250.00

Each offense can be cleared after a 12 month period

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

SIDA badge \$50.00

AOA badge \$25.00

Temporary construction badge \$25.00

Replacement badge(broken/damaged) \$20.00

Lost/stolen/failed to return badge

1st offense (1st badge) \$350.00

2nd offense (2nd badge) \$550.00

3rd offense (3rd badge) \$750.00

Each additional \$1,000.00

Each offense can be cleared after a 5 year period. 80% refund if badge is found& returned.

Premise key each

Lost key -Cost to re-key all locks effected including labor to disassemble if necessary.

Maintenance fee for snow removal \$70.00

Minimum 1 hour charge

Maintenance labor fee -/per hour plus parts/equipment \$40.00

Minimum 1 hour charge

Quarry tipping fee - /per ton \$1.50

Minimum charge per week \$15.00

Commercial operating permit - /per square foot \$0.28

Long-term Aircraft Parking Fee - /sq ft/month \$0.70

Airfield incursions/TSA violaitons

Violator is responsible for all costs/fines levied to RFD by FAA/TSA

Exhibit 3

Acronym and Glossary of Terms

AAAE	American Association of Airport Executives
ACI-NA	Airports Council International – North America
AD&D	Accidental Death and Dismemberment
AFR	Annual Financial Report
ALP	Airport Layout Plan
ARFF	Airport Rescue Fire Fighting
BOD	Biochemical Oxygen Demand
CPE	Continuing Professional Education
CPI-W	Consumer Price Index – Urban Wage Earners & Clerical Workers
FAA	Federal Aviation Administration
FAS	Fixed Asset Schedules
FIS	Federal Inspection Service
FTZ	Foreign Trade Zone
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
INS	Immigration and Naturalization Service
IPAA	Illinois Public Airports Association
M&I	Meals and Incidentals
NAC	National Airports Conference
OTC/DDEC	Oshkosh Training Center/Diesel Diagnostic Electronic Components
PEBSCO	Public Employees Benefit Services Corporation, optional 457 deferred compensation
PFC	Passenger Facility Charge, charge per enplaned passenger (\$3)
SIDA	Security Identification Display Area
SRE	Snow Removal Equipment
TSA	Transportation Security Administration
TSS	Total Suspended Solids
UPS	United Parcel Service
Airport Operation	One landing or takeoff
Capital Budget	Budgeted expenditures for capital improvements, capital outlay, debt service and grant service that are in excess of \$2,000
Infrastructure	Airport runways, taxiways, aprons and utility systems
Part 139	Federal regulation governing air taxi operations
PFC's	A \$3 charge per enplanement received by the Authority

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 80 miles WNW of O'Hare International Airport			
Access	Interstate 90 and 39 U.S. Highway 20 Illinois Route 2 and 251			
Runways	Runway 1/19, 8,200' X 150', ILS Category I Runway 7/25, 10,000' x 1150', ILS Category II/III			
Scheduled Passenger Service	Allegiant Airlines, United Airlines and Apple Vacations (May, 2006)			
Car Rental Agencies	Avis, Hertz and National/Alamo			
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				
	2000	\$2,515,586,828, 2.752 percent increase from previous year		
	2001	\$2,643,547,712, 5.087 percent increase from previous year		
	2002	\$2,754,387,629, 4.193 percent increase from previous year		
	2003	\$2,911,791,494, 5.714 percent increase from previous year		
	2004	\$2,964,363,822, 1.805 percent increase from previous year		
Bond Rating	1999	A3		
	2000	A2		
	2001	A2		
	2002	A2		
	2003	A1		
Based Aircraft	Single engine	54		
	Multi engine	33		
	Jet	15		
	Helicopters	<u>2</u>		
	Total	102		
Airport Operations		<u>CY2003</u>	<u>CY2004</u>	<u>CY2005</u>
	Air Carrier	11,672	12,622	13,683
	Air Taxi	3,875	3,089	3,737
	GA Local	26,024	19,262	12,708
	GA Itinerant	35,463	34,763	35,953
	Military	<u>3,839</u>	<u>2,770</u>	<u>2,966</u>
	Total	80,873	72,506	69,047

Exhibit 5
Budget and Appropriation Ordinance

ORDINANCE NO. 06-02

**FISCAL YEAR 2007 BUDGET AND APPROPRIATION ORDINANCE
CERTIFICATE**

I, MICHAEL P. DUNN, 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, 2006
AND ENDING April 30, 2007,"**

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 April 13, 2006 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 13th day of April 2006.

[SEAL]

_____(signed April 13, 2006)_____
Michael P. Dunn, Chairman
Greater Rockford Airport Authority

ORDINANCE NO. 06-02

**GREATER ROCKFORD AIRPORT AUTHORITY
BUDGET AND APPROPRIATION ORDINANCE**

**FOR THE FISCAL YEAR
BEGINNING May 1, 2006 AND ENDING April 30, 2007**

**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, 2007, 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	February 24, 2006
Notice of Public Hearing Published on	March 3, 2006
Public Hearing held (at 5:25 p.m. Central Daylight Savings time, pursuant to Notice)	April 13, 2006

Section 2. Appropriations.

For the fiscal year ending April 30, 2007, there is hereby appropriated for the corporate purposes of the Greater Rockford Airport Authority the total sum of \$18,862,293, 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.

Section 3. Filing with County Clerk.

That a certified copy of this Ordinance shall be filed with the County Clerk on or before May 12, 2006 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 Provenzano and seconded by Commissioner Allen.

Roll Call

<u>Aye</u> Eugene H. Allen	<u>Aye</u> Gwyn Gulley
<u>Aye</u> Nicholas Ancona	<u>Aye</u> Peter Provenzano
<u>Absent</u> Bradley O. Bennett	<u>Aye</u> Bharat Puri
<u>Aye</u> Michael P. Dunn	

Passed and approved by the Board of Commissioners of the Greater Rockford Airport Authority on April 13, 2006.

_(signed April 13, 2006)_____

Michael P. Dunn, Chairman
Board of Commissioners
Greater Rockford Airport Authority

ATTEST:

_____(signed April 13, 2006)_____
Bradley O. Bennett, Secretary
Greater Rockford Airport Authority

ORDINANCE NO. 06-02

2006-2007 BUDGET AND APPROPRIATION ORDINANCE

CERTIFICATE

I, Eugene H. Allen, 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 13th day of April, 2006.

[SEAL]

_____ (signed April 13, 2006) _____

Eugene H. Allen

Treasurer

Greater Rockford Airport Authority

**ESTIMATED REVENUES AND EXPENSES BY SOURCE
FISCAL YEAR 2007**

EXPECTED CASH FLOW DURING THE YEAR:

SOURCES

Operating Budget Revenue	\$ 6,662,118
Non-Operating Revenue	630,000
Tax Levy	8,468,304
AIP Fund Reimbursement	3,620,747
Passenger Facility Charges	296,640
Other Financing Sources	<u>10,000</u>
 Total Sources	 \$19,687,809
Beginning Fund Balance, FY07	<u>7,719,217</u>
 Total Sources and Fund Balance	 <u>\$27,407,026</u>

USES

Operating Expenses	\$ 9,251,831
Non-Operating Expenses	1,676,118
Debt Service	5,446,000
Line of Credit repayment	894,000
Capital Expenditures	<u>1,594,344</u>
 Total Uses	 \$18,862,293
Ending Fund Balance, FY07	<u>8,544,733</u>
 Total Uses and Ending Fund Balance	 <u>\$27,407,026</u>



Greater Rockford Airport Authority
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