

**GREATER ROCKFORD AIRPORT AUTHORITY  
FISCAL YEAR 2008 ANNUAL BUDGET**



**Greater Rockford Airport Authority  
Chicago Rockford International Airport  
Rockford, Illinois**

**Fiscal Year 2008 Annual Budget and  
Appropriations Ordinance**



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Robert W. O'Brien, Jr., AAE, Executive Director  
Amy M. Ott, CPA, Deputy Director of Finance & Administration  
Franz Olson, Deputy Director of Operations & Facilities  
Jan Benoit, Manager of Finance

## **Mission**

**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 27, 2007

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 26, 2007. The Authority operates the Chicago Rockford International Airport which officially changed its name in late 2005 to properly reflect the international grade of the facilities and its ability to become an alternative travel option in the Chicago region as RFD is the 19<sup>th</sup> fastest growing passenger airport.

Fiscal Year 2008 is going to be a year of significant growth in every facet of the business, which follows the guides of the most recent strategic planning process from the summer of 2006. This strategic planning will help produce fundamental decisions and actions that shape and guide the Authority with a focus for the future. The plan focuses on three main categories: of air service development, cargo development and economic development. Through implementation of this plan, the Authority will enhance the quality of life and produce economic wealth for the region.

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

The 2008 budget begins a new era for the airport with the creation of two new departments: Terminal Services and AirFest. The existing departments of Administration and Finance, Operations and Facilities and Marketing and

Development remain. The new Terminal Services Department includes all costs necessary to operate the facility with excellent customer service which makes RFD a hassle-free passenger friendly environment. In the past, these costs were part of the Operations & Facilities department. The second new department is AirFest. The Board made a decision that this event will continue for the community and this event has grown in the past three years to a major regional event. The AirFest has grown so much that in order to properly track income and expenses a separate department designation is required. In the past, most costs were accounted for in the Administration & Finance department. The revenues and expenses related to AirFest have been identified independently.

## **Budget Objectives**

The Authority's goals for the 2008 budget are to allocate available resources to RFD programs and services to:

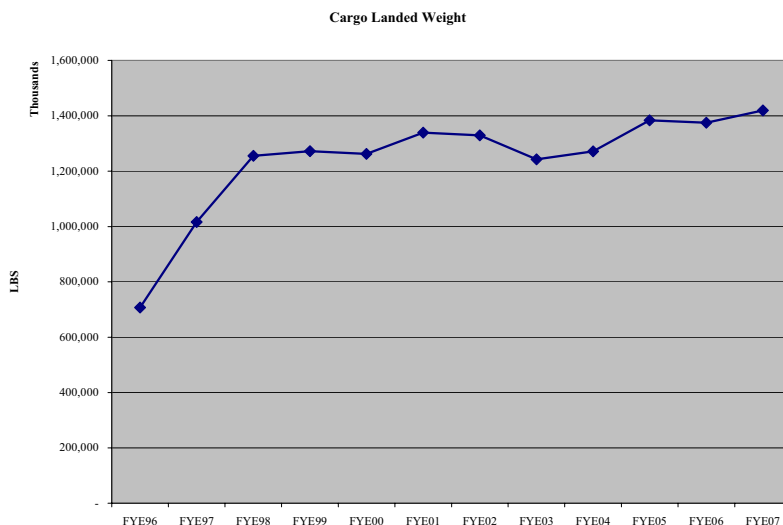
- Operate a safe and secure airport
- Meet all regulatory, legal and contractual requirements
- Continue to exceed expectations to the customers of RFD with exceptional customer service and care
- Enhance public and private partnerships with the Authority through collaboration and coordination
- Continue to expand passenger and cargo airline operations with new destinations and airlines both domestic and international
- Expand economic development at RFD through the growth of the Global Trade Park and Foreign Trade Zone
- Operate an efficient and financially self-sustaining organization
- Provide the necessary resources to accomplish the Authority's strategic plan

## **Overview and Economic Conditions**

The Authority is one of the oldest airport authorities in the United States. Formed in 1946, subsequent to enabling legislation, the Authority has four 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 Chicago Rockford International Airport (RFD) has progressively evolved from a general aviation facility to a dynamic commercial service airport. RFD is presently ranked as the 21st 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 this growth trend. 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 \$6.7 million in fiscal year

2008 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.



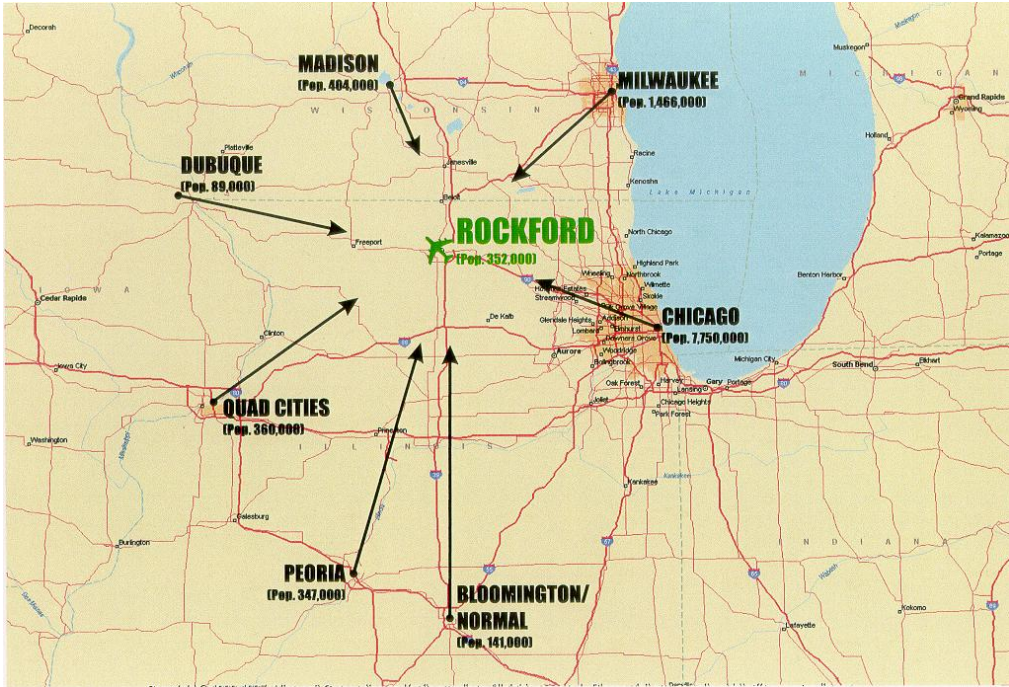
RFD is home to the second largest air hub sorting facility in United Parcel Service's system, as well as home to DHL and BAX Global facilities. RFD has unrestricted airspace and a level seven 24 hour Air Traffic Control Tower. RFD is a world-class airport capable of landing aircraft in Category III conditions. UPS views RFD as a partner in their success with the recent addition of a 70,000 square foot heavy freight operation and their investment of over \$25 million in reconfiguring the distribution center which has increased the number of packages moved through the facility by over 50%. As a result, RFD has seen and forecasted for an increase in cargo landing fees related to this increased production.

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

RFD is located in the southwest quadrant of Rockford, Illinois with easy access from five major highways. It is located approximately 85 miles northwest of Chicago, Illinois; 90 miles southwest of Milwaukee, Wisconsin; 60 miles 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

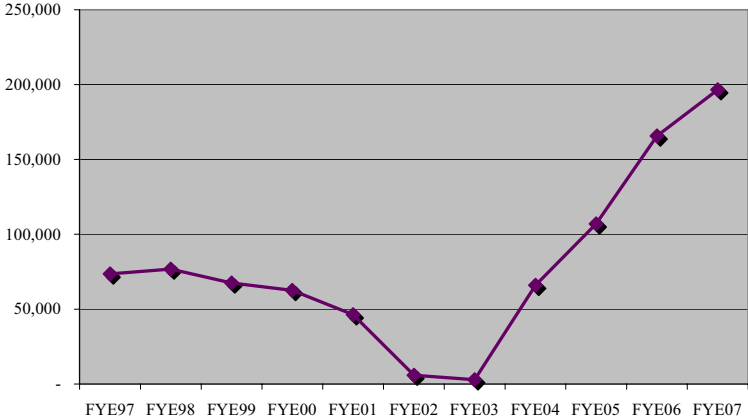


minutes to 8,400,000 people at 90 minutes. The airport is geographically centered within the region.



Passengers have been one of our main focuses over the last few years. Passenger traffic growth at RFD continues to outpace the nation as a whole, having increased over 54% in fiscal year 2006. The increase in passengers has been realized at RFD based on the level of service provided to the residents of the region. This however is reflective of the strong demand for air travel in RFD’s service area.

Passengers



As the volatility of the passenger airlines continues it is important for RFD to diversify the base of airlines that operate at RFD. Currently United Airlines offers twice daily service to Denver and Allegiant Air offers service to Las Vegas four times per week, Orlando/Sanford six times a week and Clearwater/St Pete twice a week. There is also seasonal service by Apple Vacation to Cancun.

As outlined in our strategic plan, our goal is to increase the number of passengers and airlines. Economic issues that are outside of our control can have an effect on this plan. These issues include: the current fuel price rise, the financial condition of the airlines, and any security and safety mandates issued. The Authority is mindful of these issues as they plan for the future with the mission of providing a safe, convenient, efficient, and economically self-sustaining aviation related infrastructure to promote economic development for the region.

Winnebago County and the region has seen an improving economic climate during the past few years with unemployment rates decreasing from a high of 8.1% in 2003 to a current rate of 5.5%. This decrease is the result of improvements in the economy as a whole, but also reflects the diversification of our employment based. Historically, Winnebago County and the region have been highly dependent on the manufacturing industry. This is slowly changing to include a mix of logistics, back office/call centers, and food processing. The region is known for its high level of aerospace industries and the growth is reflected that area as well.

## **History**

### **Camp Grant**

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.

### **RFD's Terminal**

In 1987, a new terminal building was constructed to better meet the community's passenger travel needs. Within the last few years, significant terminal internal reconstruction and reconfiguration projects have been completed to accommodate the many new passengers and to meet Transportation Security Administration requirements. During fiscal year 2008, the final touches for the escalators will be made. Even with all these changes, the terminal is nearing maximum capacity.

### **UPS**

In 1994, United Parcel Service constructed an air cargo distribution hub. The hub currently employs approximately 1,200 with 25 daily-scheduled cargo jet arrivals/departures ranging in size from 727-100s to 747s. In 2006 UPS built a 70,000 square foot building for their new heavy freight business which began in the summer of 2006. This was the first building completed in the UPS network for the new heavy freight business. During fiscal year 2007, UPS completed \$25 million dollars worth of redesign to the package handlers' distribution hub to increase capacity. As a result, output increased by over 100%. These improvements were completed in October 2006 and since that time there have been increases in both aircraft landed weight and cargo enplaned and deplaned from RFD. The 2008 budget reflects some of these increases.

### **Infrastructure**

Within the last several years, millions of federal dollars have been invested in airport infrastructure improvements. There are two runways: one is 8,200 feet in length; the longest is 10,000 feet in length. The 10,000ft. runway has a Category II/III Landing System which 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. As a result of the additional interest in T-hangars a private developer added 22 new hangar units between two buildings with the plan for a third if demand requires.

### **Foreign Trade Zone #176**

In July 1989, RFD became a User Fee Airport which brought Customs service to Rockford on a fee-for-service basis. It was the intention of the Chamber of Commerce and Authority to bring a full-service Customs office and Port of Entry (POE) to the airport as well as a Foreign-Trade Zone. On March 1, 1991, the FTZ Board in Washington DC granted authority for FTZ #176 Site #1 (1972 acres) which encompassed the airport itself and some surrounding industrial properties. Port

status was granted effective September 13, 1995, transferring the cost of the Customs operation to the federal government. RFD was the first User Fee Airport to be upgraded to POE status. US Customs maintains an office staffed full-time at RFD and inspection services are available 24 hours a day. With the addition of an international arrival gate in 2005, the US Customs Office moved into new facilities at the International terminal building.

In response to the creation of the Union Pacific Global III Intermodal Hub in Rochelle, over 1,000 acres of greenfield space was added to our FTZ in Rochelle in 2005 and 2006; 74 acres in an industrial park in Woodstock was also part of the 2005 expansion. Total approved acreage now tops 3,100 acres.

From inception until 2007, 5 Subzones (single users, usually manufacturing facilities) and 9 General Purpose Zone sites (large greenfield developments or multipurpose operators) have been added. Currently, 2 GPZ Sites and 2 Subzones are activated with activity in the FTZ steadily increasing (2004-\$0; 2005-\$45 million; 2006-\$67 million). Earned income from the FTZ has also steadily increased (2004-\$6,200; 2005-\$6,000; 2006-\$9,000; 2007-\$35,500). Revenues for 2008 are projected to top \$37,000.

The FTZ program is an opportunity for American business to partner with the government to remain competitive and retain jobs here at home. Firms importing at least \$1 million a year should explore the benefits of RFD's FTZ program.

There are many ways for firms engaged in the import of foreign merchandise to save money in the Zone. These include deferral, reduction or elimination of duties, and – often more significant – savings resulting from weekly entries (customs broker fees and merchandise processing fees), direct delivery and supply chain benefits. Depending on individual cases, firms may save in excess of \$100,000 in duties, supply chain and cash flow savings.

An expansion/reorganization application will be submitted to the FTZ Board (following Authority Board approval) in the fall of 2007. This will include 8 new partners, some housekeeping issues, and the surrender of land unsuitable for development or acreage returned by departing sites. Both the activity level and fee within the FTZ are expected to grow dramatically with a goal for the volume of business in FY2009-10 projected to reach \$500 million and fees nearing \$100,000.

The FTZ program clearly fits the mission of the Authority to expand business opportunity, create jobs, and assist local companies to compete more effectively in the global marketplace.

**Environmental Issues**

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. The storage facility increases the stability of the airport now that fuel is immediately available. This storage facility is directly linked to an under ground pipeline that ships all jet fuel necessary. There are plans to build on this significant underground pipeline asset.

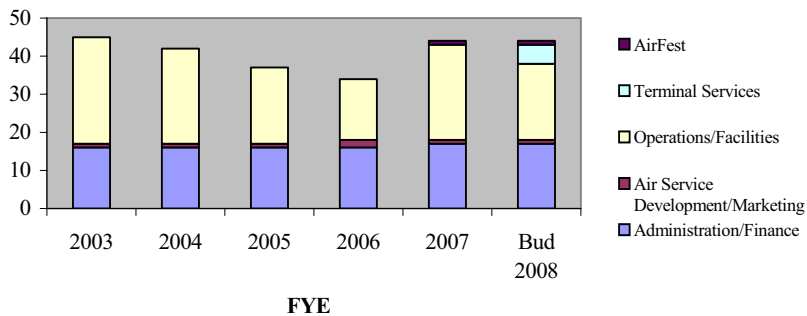
**Organization**

The Board continues its aggressive stance to further grow all areas of airport development (management, air service development, operations, and facilities). The Authority is governed by a seven-member Board of Commissioners. The members are appointed as follows:

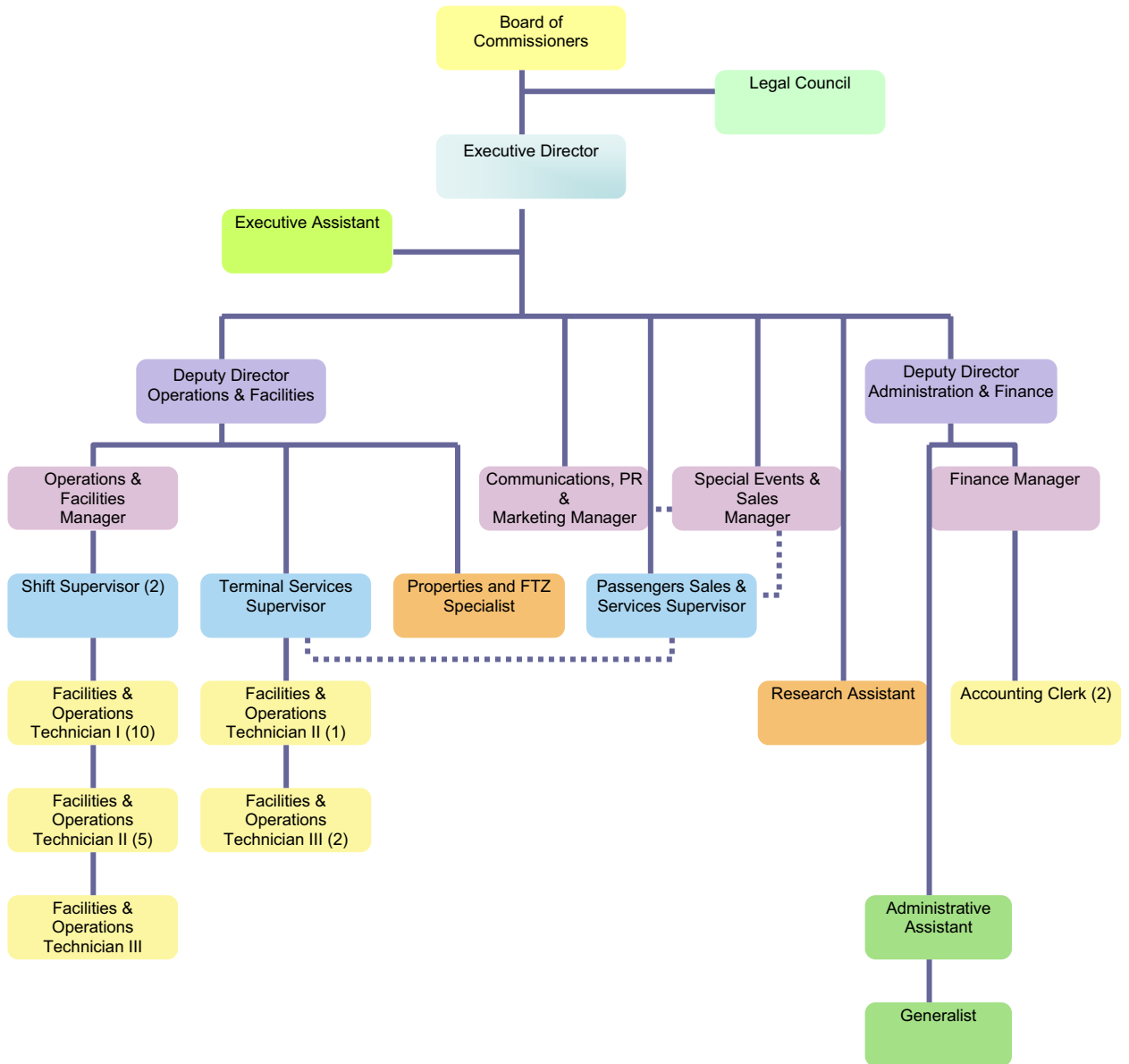
- The Mayor of the City of Rockford, 3 members;
- Winnebago County Board Chairman, 2 members;
- The Mayor of the City of Loves Park, 1 member; and
- The Village President of Machesney Park, 1 member.

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

**Personnel Positions History and Budget**



The Authority's Organizational Chart is shown below:



**Senior Management**

Robert W. O'Brien, Jr., AAE  
 Amy M. Ott, CPA  
 Franz Olson  
 Janette Benoit  
 Thomas J. Lester

Executive Director  
 Deputy Director of Administration & Finance  
 Deputy Director of Operations & Facilities  
 Manager of Finance  
 Legal Counsel, Hinshaw & Culbertson LLP

The Executive Director of the Authority reports to the Board of Commissioners. In BFYE08, airport staff is comprised of 44 employees (including seven Commissioners) as follows:

	<b>FYE03</b>	<b>FYE04</b>	<b>FYE05</b>	<b>FYE06</b>	<b>FYE07</b>	<b>FYE08</b>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
<b>Administration &amp; Finance</b>						
Airport Commissioners	7	7	7	7	7	7
Executive Director	1	1	1	1	1	1
Deputy Directors	1	1	1	1	1	1
Managers	2	2	2	1	1	1
Properties & FTZ Specialist	0	0	0	1	1	1
Executive Assistant	1	1	1	1	1	1
Accounting Assistants	2	2	2	2	2	2
Research Assistant	0	0	0	1	1	1
Administrative Assistants	2	2	2	1	1	1
Generalist	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
Department Total	16	16	16	16	17	17
<b>Air Service Development &amp; Marketing</b>						
Deputy Director	1	1	1	1	0	0
Managers	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>1</u>
Department Total	1	1	1	2	1	1
<b>Operations &amp; Facilities</b>						
Deputy Director	1	1	1	1	1	1
Manager	1	2	2	1	1	1
Supervisor	3	2	2	2	3	2
Maintenance Technician I	6	6	6	5	11	11
Maintenance Technician II	5	4	4	3	7	5
Maintenance Technician III(Custodians)	0	0	0	0	2	0
Vehicle Mechanics	3	3	3	3	0	0
Environmental Technicians	2	2	2	1	0	0
Operations/ARFF Specialists	<u>7</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Department Total	28	25	20	16	25	20
<b>Terminal Services</b>						
Supervisor	0	0	0	0	0	2
Maintenance Technician II	0	0	0	0	0	1
Maintenance Technician III	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Department Total	0	0	0	0	0	5
<b>AirFest</b>						
Special Events Coordinator	0	0	0	0	1	1
Total Organization	<u>45</u>	<u>42</u>	<u>37</u>	<u>34</u>	<u>44</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.

In 2007 there was growth in the facilities and operations area, as RFD is now operating on a 24 hour, seven days a week schedule. Staff were hired during the year to meet those needs. There were also 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 within those classifications will have areas of expertise.

There is no increase planned in personnel for 2008, however there is a redistribution of personnel with the creation of two new departments. To better monitor growth in the passenger and terminal area a department was created to track related costs decision to continue and grow AirFest as a separate department was created to manage the event.

## **Strategic Plan**

The Authority developed a new strategic plan in the summer of 2006. The Greater Rockford Airport Authority strategic plan is a tool for organizing the present on the basis of the projections of the desired future. It is a road map to lead the Authority from where it is now to where it would like to be in five or ten years. The strategic planning process ensures that the most effective use is made of the Authority's resources by focusing on key priorities.

Following are the long term business objectives that have culminated from the current strategic planning sessions.

The Long Term Business Objectives were categorized into three groups as follows:

- Air Service Development
- Cargo Development
- Economic Development; Asset Utilization



### **Air Service Development**

The passenger air service development goal is to grow air service and associated infrastructure incrementally to a capacity of 5 million annual passengers per year by the year 2012.

The following items will assist in this goal:

1. To effectively and proactively communicate the strategic plan to all Stakeholders.
2. Establishment of additional Fuel Farm capacity.
3. A terminal restaurant established for passenger convenience.
4. Improved roadway signage and highway access.
5. Engage the rail discussions in a proactive manner towards airport inclusion.
6. The future expansion of terminal facilities shall be completed assessing long term needs and financing mechanisms.
7. The expansion of parking lots shall be completed assessing long term needs and financing mechanisms. Consideration is also directed at the improvement of bus transportation to and from the airport.
8. The enhancement of area hotels shall be completed assessing needs and community support.
9. The enhancement of stakeholder awareness shall be completed. Consideration focused on the communication with stakeholders, who are the essential building blocks, to regional economic development.

### **Cargo Development**

The cargo development goal is to grow cargo and associated infrastructure incrementally to a capacity of 2 billion pounds of annual landed weight by the year 2012.

The following items will assist in this goal:

1. Establishment of additional Fuel Farm capacity.
2. A 100,000 ft<sup>2</sup> or greater Spec building for air cargo and related infrastructure necessary to support the facility.
3. Improved roadway signage and highway access.
4. Engage the rail discussions in a proactive manner towards airport inclusion.
5. The enhancement of stakeholder awareness shall be completed. Consideration focused on the communication with stakeholders, who are the essential building blocks, to regional economic development.

### **Economic Development; Asset Utilization**

The economic development; asset utilization goal is to maximize the economic impact of the airport with an efficient utilization of assets, current and future.

The following items will assist in this goal:

1. Establishment of additional Fuel Farm capacity.
2. The enhancement of the Rock Valley College A&P School and potential expansion of an educational campus.
3. The establishment of Aircraft MRO on airfield.
4. A report/executive summary on Freedom Field Alternative Energy Park and options for growth and relationship to airports.
5. Continuation and growth of Rockford AirFest.
6. Improved roadway signage and highway access.
7. Engage in the rail discussions in a proactive manner towards airport inclusion.
8. The expansion of parking lots shall be completed assessing long term needs and financing mechanisms. Consideration is also directed at the improvement of bus transportation to and from the airport.
9. The enhancement of area hotels shall be completed assessing needs and community support.
10. Summary on the enhancement/utilization of the Global Trade Park and Foreign Trade Zone are needed.
11. A report/executive summary on the enhancement of stakeholder awareness shall be completed. Consideration focused on the communication with stakeholders, who are the essential building blocks, to regional economic development.

## **Financial Policies**

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:

### **Basis of Accounting**

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

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

### **Budgetary Data**

The Authority prepares its budget partially on a cash basis. This basis is a departure from accounting principles generally accepted in the United States of America in that capital expenditures, including capital outlays and improvements, debt service and grant service, are entirely recognized in the year purchased or paid. Therefore, depreciation is not budgeted. All other revenues and expenses are budgeted on an accrual basis.

The budget process begins each October. The Deputy Director of Finance & Administration prepares a preliminary budget for review and approval by respective department heads. Upon favorable review by department heads, the Executive Director submits the budget for review, approval and adoption by the Board. The budget can be amended by the Board subsequent to its adoption.

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

### **Operating Revenues and Expenses**

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's operations. The principal operating revenues of the Authority are airport fees (primarily landing fees and fuel flowage fees) and lease revenue. The Authority also recognizes certain other revenues as operating revenues, including stormwater retention fees, fuel permits, quarry fees, etc. Operating expenses for the Authority include personnel and benefit costs, contractual services costs, commodities and others. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **Cash, Cash Equivalents and Investments**

For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including short-term investments) with maturity of three months or less when purchased to be cash equivalents.

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

*Custodial Credit Risk – Deposits and Investments:* The Authority has a policy regarding custodial credit risk which requires that funds on deposit in excess of FDIC or FSLIC limits be secured by either securities guaranteed by the full faith and credit of the United States of America or obligations of the United States of America or its agencies. The Authorities policies also require that the amount of collateral provided shall not be less than 110 percent of the fair market value of the funds secured. Pledged collateral shall be held by the Authority or in a safekeeping, evidenced by a safekeeping agreement. Collateral in safekeeping must be held by a third party or by an escrow agent of the pledging institution.

*Interest Rate Risk – Investments:* The Authority's investment policy limits the maturities of investments as a means of managing its exposure to fair value losses arising from increasing interest rates to a maximum maturity of 24 months.

*Credit Risk:* The State of Illinois and the Authority's approved Investment Policy allows the Authority to deposit monies in specified types of instruments. These instruments include the following:

- Securities issued or guaranteed by the United States of America.
- Interest bearing accounts of banks and savings and loans insured up to \$100,000 by the Federal Depository Insurance Corporation.

- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500 million rated in the highest classification by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under the Unites States or Illinois law.
- Mutual funds
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations
- Illinois funds

*Concentration of Credit Risk – Investments:* The Authority’s investment policy allows for no more than 40 percent of the total investment portfolio, exclusive of U.S. Treasury securities held in safekeeping to be held at a financial institution.

**Accounts Receivable**

Accounts receivable includes amounts due from Authority tenants. The amount shown is reduced by an estimated reserve for uncollectible accounts.

**Taxes Receivable**

Taxes receivable include taxes levied in the current fiscal year that will be paid in the following fiscal year. The balance, net of a one percent allowance for uncollectible amounts, is fully deferred at year-end because the tax levy will be used to fund expenses of the following year.

**Restricted Assets**

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

- ***Debt service*** – These assets are used to fund current maturities on General Obligation Bonds and on the revenue bond to Alpine Bank.
- ***Capital projects*** – These assets are used to fund budgeted capital items with the exception of debt service.
- ***Stormwater retention and landfill closure*** – These assets are restricted for the repair, maintenance and monitoring of the stormwater retention pond and for the estimated landfill closure costs.

When expenses are incurred for which both restricted and unrestricted resources are available, it is the Authority’s policy to first apply restricted resources. The

Authority understands the need to replace capital items. In order to minimize the impact of future capital expenses, staff has planned for capital replacements with the use of restricted assets and they are funded by annual deposits from excess funds available.

### **Capital Assets**

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

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

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

### **Deferred Charges and Unamortized Premium on Bonds**

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

### **Compensated Absences**

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

### **Use of Estimates**

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

### **Net Assets**

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

- *Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction or improvement of those assets.
- *Unrestricted net assets* consist of all other net assets that do not meet the criteria above.

### **Operating Reserves**

The Authority maintains operating reserve funds to protect against the need to reduce service levels, staff, or raise fees due to temporary revenue shortfalls or unprecedented one time expenditures. The Authority currently maintains approximately 40% of total estimated operating expenses for the year in operating reserves.

### **Legal Debt Margin**

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

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

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

### **Tax Rate**

The current tax rate for the Authority is budgeted at 11¢. This is a 66% reduction from the prior year as all general obligation bonds were paid off in the prior fiscal year.

### **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. Rates and Charges are based on a combination of both residual and compensatory methods.

## **Budget Document**

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

The Authority used zero-based budgeting (ZBB) techniques, which required staff to provide justification and support for all expenditures. This allows for evaluation of expenditures to ensure that each item supports and contributes to the goals of the organization. ZBB results in a more meaningful document that has the support of staff for implementation and utilization.

This budget is divided into six components: transmittal letter, revenue budget, operating expenses budget, non-operating budget, capital budget, and exhibit section. The operating expense budget is further broken down into departmental budgets.

## **Budget Process**

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

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



22 February 2007	Approve Tentative Budget and Appropriation Ordinance.
1 March 2007	Public Hearing Notice published in newspaper.
12 April 2007	Public Hearing.
12 April 2007	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 to discuss and review any significant items or changes.

**Distinguished  
Budget  
Presentation  
Award**

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Greater Rockford Airport Authority for its annual budget for the fiscal year beginning May 1, 2006. This was the eighth 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. Operating revenues is budgeted at \$5,537,779 for FYE2008, a decrease of 17% or approximately a \$1.1 million reduction as a result of better forecasting for the AirFest revenues and a reduction in the amount of operating grants to be received during the year. Operating expenses are budgeted at \$7,556,730 which is an 18% reduction from the prior year budget. This decrease is the result of no plans for a revenue guarantee in the coming year.

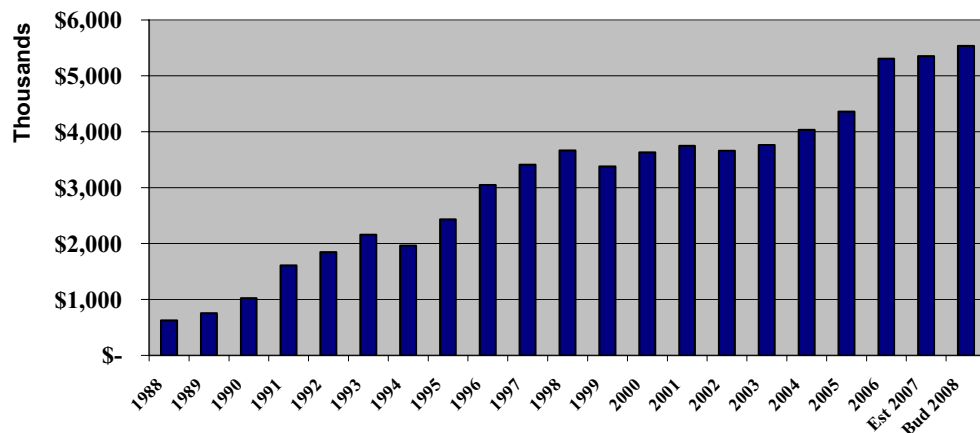
	Act FYE2006	BFYE2007	Est. FYE2007	BFYE2008
<b>Operating Revenue</b>				
Airport fees-airside	2,485,303	\$ 2,644,690	\$ 2,642,326	\$ 2,825,730
Airport fees-landside	200,658	200,000	192,958	217,068
Lease revenue-on airport	914,396	962,000	960,614	965,083
Lease revenue-off airport	424,660	375,087	543,838	444,376
Airfest revenue	364,476	1,111,250	435,642	681,174
Other	917,764	1,369,091	576,852	404,349
Total Operating Revenue	5,307,257	6,662,118	5,352,230	5,537,779
<b>Operating Expense</b>				
Personnel services	(2,571,514)	(2,894,378)	(2,646,571)	(3,169,436)
Contractual services	(5,582,762)	(5,033,129)	(3,697,911)	(3,127,699)
Commodities	(802,286)	(916,880)	(812,936)	(968,895)
Other	(332,015)	(407,444)	(196,815)	(290,700)
Total Operating Expense	(9,288,577)	(9,251,831)	(7,354,233)	(7,556,730)
Net Operating Expense	(3,981,320)	(2,589,713)	(2,002,003)	(2,018,951)
<b>Non-operating Revenue (Expense)</b>				
Annexation agreement	135,548	130,000	127,373	130,000
Interest income	334,787	100,000	495,846	330,828
Property tax levy-operating	2,659,987	2,960,154	2,809,701	2,960,154
Property tax levy-debt service	6,472,922	5,508,150	5,510,137	-
Replacement tax	521,409	400,000	531,617	400,000
Interest expense	(370,053)	(176,118)	(121,252)	(19,968)
Other	(138,825)	-	-	-
Total Non-operating Revenue (Expense)	9,615,775	8,922,186	9,353,422	3,801,014
<b>Capital Contributions</b>				
Passenger facility charges	237,239	296,640	268,332	400,180
AIP Reimbursement Funds	2,889,646	3,620,747	3,609,389	2,000,000
Funds from auctioned equipment	7,979	10,000	-	5,000
Total Capital Contributions	3,134,864	3,927,387	3,877,721	2,405,180
<b>Debt Service, Sinking Fund Deposits &amp; Other Uses</b>				
Debt service principal payments	(6,026,000)	(5,446,000)	(5,446,000)	(96,000)
Line of Credit	853,930	(894,000)	(894,000)	-
Sinking fund and operating reserve deposits	(250,000)	(1,550,000)	(1,550,000)	(250,000)
Landfill closure	-	(1,500,000)	-	(25,000)
Total Debt Service and Sinking Fund Deposits	(5,422,070)	(9,390,000)	(7,890,000)	(371,000)
<b>Capital Improvement Program</b>				
Airside Projects	(1,523,674)	(604,594)	(394,280)	(1,339,180)
Landside Projects	(8,786)	(315,000)	(206,745)	(42,965)
Terminal Projects	(612,965)	(391,750)	(364,905)	(681,670)
Administrative Projects	(32,573)	(283,000)	(144,070)	(123,000)
Total Capital Improvements	(2,177,998)	(1,594,344)	(1,110,000)	(2,186,815)
<b>Excess Funds</b>	\$ 1,169,251	\$ (724,484)	\$ 2,229,141	\$ 1,629,428

## 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, building leases, AirFest revenues, operating grants, and FTZ fees. Non-operating revenue is revenue that is a consequence of operating the airport; e.g., interest income. 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 without reliance on tax levy's. A financial self sufficient agency is part of our mission.

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 2006 as a result of the Airshow and grants to cover portions of operating expenses. The increases in the FYE2008 budget are related to airport fees and lease revenues.

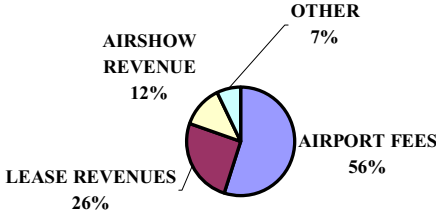
### Operating Revenue History



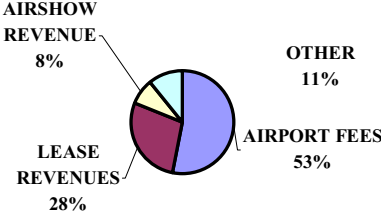
Staff concentrates its efforts to increase the amount of fixed revenue over variable revenue because a high percentage of variable revenue could be financially catastrophic in an airport economic downturn. Lease revenue and Other revenue (fixed revenue) will serve as a hedge in possible future economic 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. In our goals to meet the guidelines outlined in the strategic plan the Authority has negotiated plans for a new cargo development on the west end of the airport. This plan includes up to 33

acres for direct aircraft access for cargo operators. Based on initial plans this will not have a revenue impact until FYE 2010.

**BFYE 2008**



**BFYE 2007**



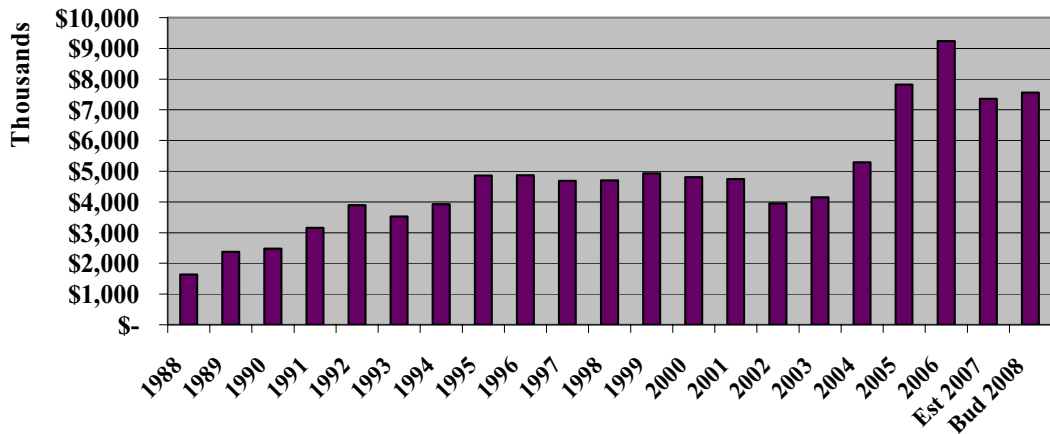
Non-operating revenues consist predominantly of property tax levy, but also include interest income collected on Authority deposits. Property taxes are levied to cover certain operating expenses. The total levy is approximately \$.11 per \$100 of assessed valuation. This is a 66% reduction from the prior year as the Authority will no longer receive tax levy for debt service as all related debt has been paid of in prior year. There has been over a 57% reduction from the prior year as a result of the debt being eliminated. However other items are planned to have an increase including interest income as a result of improved cash management, higher interest rates and increase in funds available for investment.

## Expenditures

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

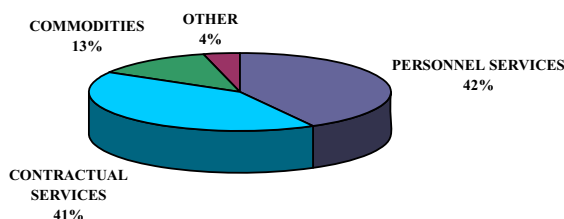
Following are the historical annual operating expenses since FYE88. There was an increase through FYE95, with expenses remaining fairly stable through FYE01, and a decrease two years thereafter. This was the result of some restructuring in the public safety department, which is now completely outsourced 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 and the return of the AirFest. As you can see from the chart below there is a planned reduction in the operating expenses mainly due to a reduction in the Air Service Development department. Projections for the next three to five years show a stable increase in the operating expenses as a result of growth in passenger services and personnel costs.

### 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



Personnel Services accounts for 42% of operating expenses and is traditionally the largest cost for the Authority. This has increased from the prior year as eight staff were added during the prior year as well as many personnel costs have increased. The Authority views the employees as its most important asset and works to hire the best most highly qualified and motivated people. This has proved well as RFD has grown it has hired staff in the most efficient manner.

Contractual services is 41% of the total operating expenses which is down from the prior year. The decrease is the result of no revenue guarantee planned; however the Authority is still continuing to lure airlines to RFD by alternative incentive programs.

Commodities make up only 13% of total expenses which is up from the 10% in the prior year. Increase in commodities is related to increase in equipment for repairs, changes to signage and supplies for AirFest.

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 other category has decreased from the prior year as a result of a reduction in the landfill expenses as Landfill #2 was closed in the prior year. This account will be used for post closure care and testing.

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.

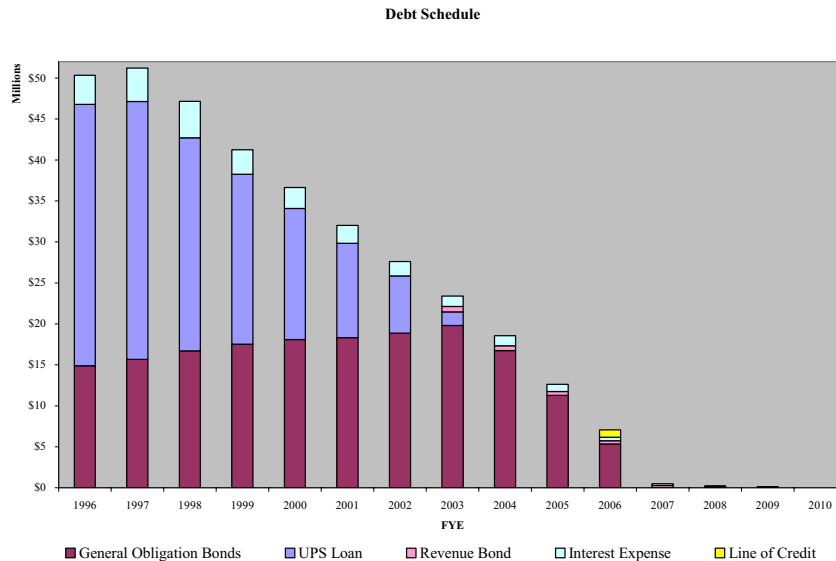
Non-operating expenditures consist predominantly of interest expense for debt. There has been a significant decrease as a result of the reduction in debt. Further discussions are included in the debt section.

## Capital Contributions

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 an increase budgeted for next fiscal year as a result of an increase in the number of enplaned passenger moving through RFD. There is a 30% or more planned increase in passengers in the next fiscal year. The Authority will also be requesting \$2.0 million from the State of Illinois Airport Improvement Program Fund as a reimbursement for previous eligible land purchase.

## 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 is minor with only a \$288,000 Revenue Bond. There are no planned short-term needs for new debt at this time. However long-range planning includes expansion of the terminal if passenger level triggers are met. 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 Moody's upgraded the Authority bond rating to A1 from A2. The rating upgrade reflects the Authority eliminating bank loan debt, a moderate amount of rapidly retired bonded debt, resumption of a small amount of passenger service and the Authority's stable and consistently well-managed financial operations. 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.

The legal debt margins as of April 30, 2007 are summarized as follows:

	<i>Without</i>	<i>With</i>	<i>Total</i>
	<i>Voter Approval</i>	<i>Voter Approval</i>	<i>Debt Limitation</i>
Assessed valuation at April 30, 2006	\$ 3,321,828,622	\$ 3,321,828,622	\$ 3,321,828,622
Debt limit percentages	0.75 %	2.3 %	2.875 %
	24,913,715	76,402,058	95,502,573
Outstanding general obligation debt	-	-	-
Outstanding revenue bond debt	-	288,000	288,000
Total	-	288,000	288,000
FYE06 Legal debt margins	\$ 24,913,715	\$ 76,114,058	\$ 95,214,573

Following is a table showing both principal and interest payments for current and planned debt.

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>2008</b>	96,000	15,000	111,000
<b>2009</b>	96,000	9,984	105,984
<b>2010</b>	96,000	4,992	100,992
	<u>\$288,000</u>	<u>\$29,976</u>	<u>\$317,976</u>

## **Capital Improvement Program**

The Capital Improvement Program (CIP) is a 5 to 10 year program that provides for critical improvements and asset preservation. The program includes projects that address federal security requirements, airfield safety, enhanced revenue potential, rolling equipment replacement, asset preservation and completion of the newly updated Master Plan. Funding sources for the projects and replacements include Airport Improvement Program (AIP) grants, Passenger Facility Charges (PFC), allocated reserve funds, the balance of the capital accounts, operating revenues and short term borrowings where appropriate. The current year budget does not include

any short term borrowings. Each year the Authority updates the 5 year equipment program and the 10 year infrastructure program. The 10 year plan is updated in conjunction with the Transportation Improvement Plan and the Master Plan when updated.

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

Title 49 of the United States Code (USC) authorizes the AIP program. The objectives of this federal program is to assist in development of a nationwide system of public use airports, to ensure the safe and secure operation of the airport and airway system, and to meet the projected needs of the public. The program not only provides funding for development projects, but also airport planning and noise compatibility programs. The program is funded by aviation use fees, which are collected and deposited into the Airport and Airway Trust Fund that generates the revenues in support of the AIP. The US Congress authorizes expenditures from this dedicated fund on an annual basis each year. The AIP program includes entitlement and discretionary funding. Entitlement funds are awarded to eligible sponsors through a formula based on the number of passengers boarding and cargo aircraft tonnage. Discretionary funds are set aside to provide the FAA the flexibility to fund various high priority programs.

During FYE2007 the Authority received \$3.6 million in AIP grants for airfield improvements, terminal enhancements, and land reimbursements. The AIP program typically provides funding for up to 95% of eligible project costs. The AIP program budget generally will include potential projects if discretionary funding becomes available. If the funding is not available during the year the project will carryforward to the next year and entitlement funds will be utilized. The current year budget includes the Authority's share of approximately \$580,000 for potentially \$16.6 million in projects.

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

AIP and PFC is that the PFC is a fee directly to the passenger, is administratively retained by the airport and considered local funds versus airport funds.

The Chicago Rockford International Airport began collecting a PFC of \$3.00 per enplaned passenger in 1994. The FAA recently approved a revised application with the authority to collect \$4.50 per eligible enplaned passenger effective July 1, 2007. The budget plans for this increase in PFC funds.

Projected FYE2008 CIP capital expenditures are as follows and a specific list of the projects are outlined in the Capital Improvement section of the booklet.

Airside Projects	\$ 1,339,180
Landside Projects	\$ 42,965
Terminal Projects	\$ 681,670
Administrative Projects	\$ 123,000
	<b><u>\$ 2,186,815</u></b>

## 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

	<b>FYE05</b>	<b>FYE06</b>	<b>Est FYE07</b>	<b>BFYE08</b>
Net Assets, beginning of year	\$90,332,405	\$97,120,214	\$103,132,467	\$110,927,766
Income(loss) before Capital Contributions	361,368	2,610,064	3,657,865	3,787,038
Capital Contributions	6,426,441	3,402,189	4,137,434	3,500,000
Net Assets, end of year	<u>\$97,120,214</u>	<u>\$103,132,467</u>	<u>\$110,927,766</u>	<u>\$118,214,804</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 programs unless accounted fund specifically funded thru a trust fund. Funding for this account is derived from Passenger Facility Charges (PFCs), excess operating monies from the previous year and AIP funds reimbursement. AIP funds reimbursement planned for BFYE08 of \$3 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 is estimated to be at approximately \$750,000. This is a significant reduction from the prior year as the funds were used for the closing of Landfill #2. The remaining balance appears reasonable based on the environmental engineers review. There will be no contributions to the fund during the year.

The glycol retention/treatment facility fund is for future repairs and upgrades to this facility. This facility purifies the wastewater that is collected from de-iced aircraft. The glycol treatment fund has a balance of \$1,262,969 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 \$1,099,263, which is budgeted to increase by \$250,000. This is funded by the receipts of auctioned equipment, investment earnings and a budgeted sinking fund transfer.

A Building re-roof fund to fund an extensive re-roof of the Coleman Hangar has a balance of \$173,512. 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.

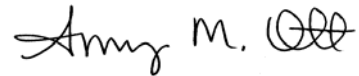
A summary of the beginning balances; sources, uses, and ending balances for the segregated accounts are following.

	Operating Account	Debt Service Account	Capital Proj. Account	Trust Account	Total
<b>Balance, 1 May 2007</b>	<b>\$ 3,989,807</b>	<b>\$ 100,000</b>	<b>\$ 2,258,931</b>	<b>\$ 3,270,722</b>	<b>\$ 9,619,460</b>
Sources					
Operating revenue	5,421,811	115,968			5,537,779
Non-operating revenue	860,828				860,828
Tax levy-operating	2,960,154				2,960,154
Tax levy-debt service		0			0
PFC			400,180		400,180
AIP Fund Reimbursement	2,000,000				2,000,000
Other				5,000	5,000
<b>Total Sources</b>	<b>11,242,793</b>	<b>115,968</b>	<b>400,180</b>	<b>5,000</b>	<b>11,763,941</b>
Uses					
Operating expenses	7,556,730				7,556,730
Non-operating expenses		19,968			19,968
Debt service payments		96,000			96,000
Line of Credit repayment		0			0
Other uses				25,000	25,000
Capital expenditures			2,000,000	681,670	2,681,670
<b>Total Uses</b>	<b>7,556,730</b>	<b>115,968</b>	<b>2,000,000</b>	<b>706,670</b>	<b>10,379,368</b>
<b>Net Sources (Uses)</b>	<b>3,686,063</b>	<b>0</b>	<b>(1,599,820)</b>	<b>(701,670)</b>	<b>1,384,573</b>
Balance FYE08 before transfers	7,675,870	100,000	659,111	2,569,052	11,004,034
Transfers	(2,250,000)	0	2,000,000	250,000	0
<b>Balance, 1 May 2008</b>	<b>\$ 5,425,870</b>	<b>\$ 100,000</b>	<b>\$ 2,659,111</b>	<b>\$ 2,819,052</b>	<b>\$ 11,004,034</b>

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.

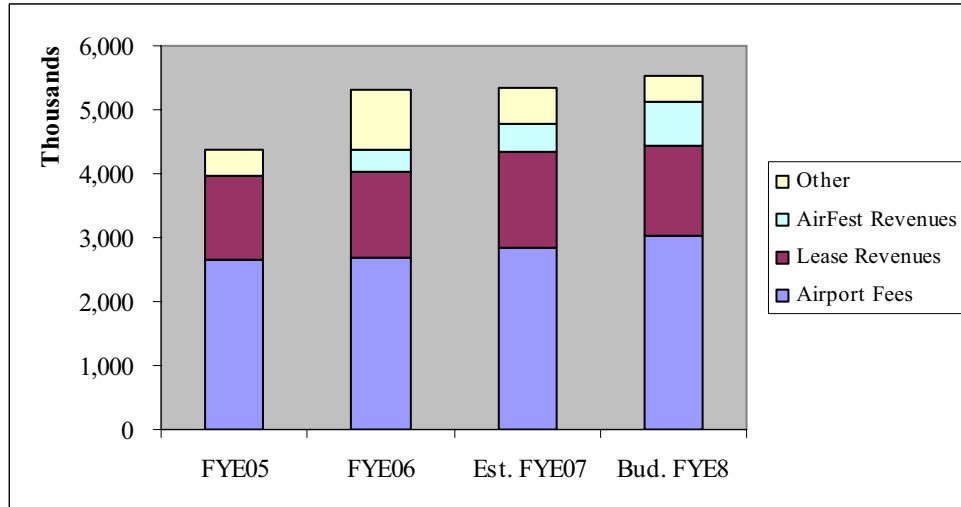
Sincerely,

A handwritten signature in black ink that reads "Amy M. Ott". The signature is written in a cursive style with a large, stylized "A" and "O".

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

## Operating Revenue Summary

Revenue sources are broken down into six (6) distinct categories: Airport fees-airside, Airport fees-landside, Lease revenue-on airport, Lease revenue-off airport, AirFest revenues 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**, \$2,825,730. Airport fees – airside revenue is comprised of landing fees, ramp fees, and fuel flowage fees. These fees are generated on the runways, taxiways aprons and in areas of the terminal. They are variable in nature and dependent upon an aircraft landed weight, number of aircraft seats or gallons of fuel pumped. Fuel flowage fees were calculated using the prior year estimated fueling and economic indicators. Most fuel flowage is from the general aviation and small commercial operations and with the rise in fuel prices this has resulted in a decrease in budgeted fuel flowage fees for the year.

Landing fees for cargo are projected based on 1.4 billion pounds, which is about a 5% increase from prior year weights. Based on discussions with the cargo operators and performance of UPS since the reconfiguration of the distribution center came on-line the 5% appears reasonable. Landing fees for passenger airlines is projected to increase with the current carrier, Allegiant Air, expanding destinations and frequency during the year. Increase also includes United Airlines paying landing fees as their incentive program ends September 2007. This account also includes estimates for landing fees related to diversions. RFD is a major diversion airport for O’Hare and Midway. In the past two fiscal years RFD has generated over \$30,000 each year in

landing fees for diversions alone and with the planned construction at O'Hare this is expected to continue.

Ramp fees are related to 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. Ramp fees are expected to increase based on the increase in passenger airlines as noted above.

**Airport fees – landside, \$217,068.** The revenue in this category is rental car commissions. As in the previous category, these revenues are also variable in nature. Revenues are expected increase 9% related to the increase in the number of expected passengers utilizing the airport.

**Lease revenue – on airport, \$965,000.** 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. Lease revenue – on airport is stable for next year with planned increase in most leases however one larger lease will end. With the expansion of passenger service it has required additional reconfiguration of the terminal and taking back current leaseholds.

**Lease revenue – off airport, \$344,376.** Sources of revenue include building and land leases. These sources are also fixed and do not vary much over time and are outside the perimeter fence and are largely considered an industrial park. Lease revenue –off airport has increased as a result of newly negotiated leases and some vacant property planning to be leased during the year.

**AirFest revenue, \$681,174.** AirFest revenues are all the dollars associated with the annual airshow. This will be the fourth show since the return of the event. This is the first year a lead staff person will return to the event and with the history and experience the budget amount appears a reasonable estimate based on a major performer such as the Navy Blue Angels performing. This is based on an estimated 90,000 attendance.



**Other** – \$404,349. Other revenue sources include commercial operating agreement fees, fuel permit fees, quarry fees, snow removal fees, foreign trade zone fees, Airfield service fees and other miscellaneous income. Most of these revenues are incidental to the operation. However with the growth and renewed energies in the FTZ the related fees have grown from \$6,000 FYE2005 to budgeted \$37,500. The other revenue as a whole have a significant decrease from the prior year as a result of an operating grant received last year and no grants are planned for this fiscal year.

### Operating Revenues Budget

CODE/LINE ITEM	ACTUAL FYE01	ACTUAL FYE02	ACTUAL FYE03	ACTUAL FYE04	ACTUAL FYE05	ACTUAL FYE06	BUDGET FYE07	ESTIMATE FYE07	BUDGET FYE08
<b>AIRPORT FEES-AIRSIDE</b>									
4120 Fuel flowage fees	\$ 819,566	\$ 827,650	\$ 829,928	\$ 882,759	\$ 597,471	\$ 61,289	\$ 66,700	\$ 59,011	\$ 59,000
4140 Landing fees	1,394,021	1,404,969	1,326,471	1,391,834	1,861,005	2,295,986	2,407,990	2,387,298	2,494,755
4141 Landing fees - non cargo	-	-	-	23,265	64,424	101,404	140,000	171,417	221,175
4142 Landings - ramp fees	-	-	-	-	17,200	26,625	30,000	24,600	50,800
TOTAL FEES-AIRSIDE	2,213,587	2,232,619	2,156,399	2,297,859	2,540,101	2,485,304	2,644,690	2,642,326	2,825,730
<b>AIRPORT FEES-LANDSIDE</b>									
4250 Parking	110,613	9,451	968	311	-	-	-	-	-
4270 Rent-a-car commissions	176,669	137,396	137,405	118,766	129,497	200,658	200,000	192,958	217,068
TOTAL FEES-LANDSIDE	287,282	146,848	138,372	119,076	129,497	200,658	200,000	192,958	217,068
<b>LEASE REVENUE-ON AIRPORT</b>									
4330 Building	216,321	255,335	350,979	440,069	481,540	516,103	553,965	541,566	561,606
4360 Land	234,487	236,452	254,993	277,746	290,167	309,276	324,420	320,891	348,887
4361 Tie-down	-	6,935	43,129	17,882	6,133	5,792	5,700	16,269	5,700
4380 Terminal concession/counter/offices	122,538	114,805	116,086	120,852	113,387	83,224	77,915	81,887	48,890
TOTAL LEASE-ON AIRPORT	573,346	613,527	765,187	856,550	891,226	914,396	962,000	960,614	965,083
<b>LEASE REVENUE-OFF AIRPORT</b>									
4430 Building	60,150	89,967	103,594	107,510	116,462	126,294	77,334	145,014	134,349
4460 Land	269,350	252,736	256,898	291,691	294,167	298,366	297,753	398,823	310,027
TOTAL LEASE-OFF AIRPORT	329,500	342,703	360,493	399,201	410,629	424,660	375,087	543,838	444,376
<b>AIRFEST REVENUE</b>									
4915 Airshow revenues	-	-	-	-	-	364,476	1,111,250	435,642	681,174
<b>OTHER</b>									
4910 Automobile fuel flowage	4,452	5,956	2,170	-	-	-	-	-	-
4920 Clean fill	24,352	18,180	28,234	32,016	18,473	37,371	24,000	49,189	24,000
4930 Commercial operating agreement	52,787	53,218	59,425	60,464	64,969	68,208	69,891	70,170	77,149
4940 Foreign trade zone fees	4,200	3,000	8,336	6,200	6,000	9,000	12,000	38,438	37,500
4950 Fuel permits	5,100	3,600	4,125	4,575	4,200	3,825	4,200	4,263	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	124,480	90,000	97,186	90,000
4965 Marketing campaign donations	-	-	-	-	13,406	477	-	-	-
4970 Snow removal/maintenance fees	11,980	3,360	2,310	3,370	-	-	5,000	5,813	5,000
4975 Airfield service fees	-	-	-	-	-	450	-	-	7,500
4980 Stormwater fees	150,000	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	523,953	1,013,000	161,794	8,000
TOTAL OTHER	346,305	323,430	342,667	364,661	391,701	917,764	1,369,091	576,852	404,349
TOTAL OPERATING REVENUE	\$ 3,750,020	\$ 3,659,127	\$ 3,763,117	\$ 4,037,346	\$ 4,363,154	\$ 5,307,257	\$ 6,662,118	\$ 5,352,230	\$ 5,537,779

## Operating Revenue Budget Justifications

AIRPORT FEES-AIRSIDE		
<b>4120 Fuel flowage fees</b>	\$	59,000
<b>4140 Landing fees</b>	\$	2,494,755
<b>4141 Landing fees - non cargo</b>	\$	221,175
<b>4142 Landings - ramp fees</b>	\$	50,800
AIRPORT FEES-LANDSIDE		
<b>4270 Rent-a-car commissions</b>		
Budgeted automobile rental commissions are calculated on average monthly rental commissions of approximately \$18,000 per month.	\$	217,068
LEASE REVENUE-ON AIRPORT		
<b>4330 Building lease-on airport</b>		
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 @ \$212.05/mo.		45,803
T-hangars, 3 @ \$243.25/mo.		8,757
T-hangars, 3 @ \$285.19/mo.		10,267
T-hangars, 6 @ \$305.65/mo.		22,007
T-hangars, 2 @ \$351.96/mo.		8,447
T-hangars, 2 @ \$408.92/mo.		9,814
Plot #A-9, Alpine Aviation		9,808
Plot #A-10, Mechanical Tool & Eng.		24,420
Plot #A-12, Emery Air Charter (former Coleman hangar)		94,150
Plot #A-15, Heritage Aero		36,840
Plot #A-20, Pride Aviation (former Crabtree hangar)		19,057
Plot #A-21, Hot Shot Express		20,156
Plot #A-31, DHL Express		105,921
Plot #A-33, BAX Global		146,160
Total building lease-on airport	\$	561,606
<b>4360 Land lease-on airport</b>		
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.		7,174
Plot #A-2, Kaney Aviation		13,182
Plot #A-3, Courtesy Aircraft, Inc.		14,470
Plot #A-3A, Courtesy Aircraft, Inc.		5,830
Plot #A-4, Avionics Place		14,171
Plot #A-5, Rock Valley College		11,607
Plot #A-6, Owners Association		13,219
Plot #A-8, Emery Air Charter		39,641
Plot #A-11, First Franklin Investment		7,773
Plot #A-14, Kaney Aviation		9,685
Plot #A-17, 1896 LLC		10,817
Plot #A-18, Rubloff Hangar, LLC		42,896
Plot #A-19, HSI Investments, LLC		12,811
Plot #A-23, Emery Air Charter		61,242
Plot #A-23A, Emery Air Charter		13,043
Plot #A-27, Delbert Wildes		5,301
Plot #A-28, HSI Investments, LLC		12,943
Plot #A-29, Kaney Aviation		17,538
Plot #A-32, Emery Fuel Farm		10,018
Plot #A-33, BAX Global		19,277
Moreland Enterprises		6,248
UPS, Building		1
UPS, Fuel Farm		1
Total land lease-on airport	\$	348,887
<b>4361 Tie-down</b>	\$	5,700
<b>4380 Terminal lease-concession/counter/offices</b>		

## Operating Revenue Budget Justifications

Automobile rental-Avis	7,617
Automobile rental-Hertz	7,617
Automobile rental-National	8,167
Food service-coffee shop	1,236
General Serv. Adm. (FAA/TSA)	11,378
Office-Crawford, Murphy & Tilly	12,874
Total terminal lease	\$ 48,890

### 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&Maint 30 bldg	46,999
Plot #I-2 6772 Falcon Rd (Pride)	18,111
Plot #I-8 Emery Air	7,000
Plot #I-30 F. Newton & Associates	24,350
Plot #I-29 - Vacant	-
Plot #I-15 Vista, Marketing Office	24,662
Building 30	7,228
Building 30	1,200
Detail bays	4,800
Total building lease-off airport	\$ 134,349

#### 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)	58,140
Plot #I-3 Richard McQuality	12,967
Plot #I-4 Mechanical Tool & Engineering	6,057
Plot #I-5 Mrs. Mary Barker	4,913
Plot #I-7 Elco Textron Industries	3,827
Plot #I-9 Rock Road Company	67,758
Plot #I-10 Greenfield Industries	2,679
Plot #I-11 Fitzgerald Equipment Company	12,422
Plot #I-12 Parkside Warehouse	12,491
Plot #I-12A Parkside Warehouse	7,180
Plot #I-13 Barker Rockford Company	23,668
Plot #I-14 Clinkenbeard	6,509
Plot #I-16 Airport Pet Lodge	348
Plot #I-17 Rockford Poultry	-
Plot #I-17B Rockford Poultry	-
Plot #I-18 Freeway Rockford	3,827
Plot #I-19 Parkside Warehouse	15,830
Plot #I-21 Mechanical Tool	2,819
Plot #I-22 Willett, Hofmann & Associates	5,533
Plot #I-24 Warren Jackson Parking Lot	-
Plot #I-25 Precision Group	12,172
Plot #I-26 Blackbird, Inc	4,267
Plot #I-27 YMA Inc dba Airport Shell	10,618
Plot #I-28 Comet Fabrication	5,127
Plot #I-28B Comet Fabrication	6,274
Plot #I-28C Comet Fabrication	4,595
Plot #RM-2, Sjoström & Sons	9,583
Plot #I-30 Millwork Masters	10,422
Total land lease-off airport	\$ 310,027

### OTHER

#### 4915 Airshow

All revenue sources from 2007 Airfest.	\$ 681,174
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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
Kaney , A2, A29	25,920 sq.ft.	7,258
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		\$ 77,149

### 4940 Foreign trade zone fees

General purpose zones (2)		9,500
Developer greenfield sites (5)		15,500
Subzones (3)		12,500
Total foreign trade zone fees		\$ 37,500

### 4950 Fuel permits

Fuel permits are based upon fuel dispensing criteria.

Emery Air Charter		1,125
Courtesy Aircraft		600
Rubloff LLC		600
Kaney Aviation		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

### 4975 Airfield service fees

Charges to airport tenants for badging and escorting.

\$ 7,500

### 4980 Stormwater fees

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

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

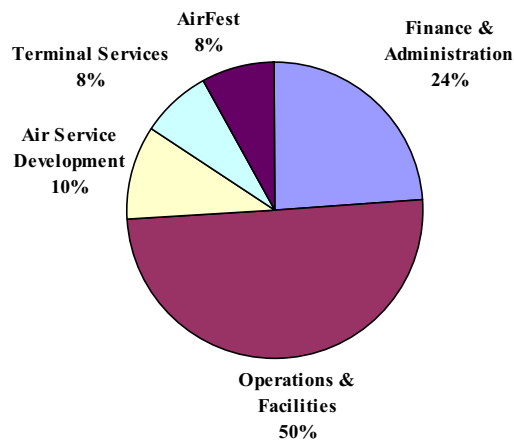
\$ 150,000

### 4990 Miscellaneous

Vending machine commissions		3,000
Scrap iron		500
Airport fines		2,000
Other		2,500
Total miscellaneous		\$ 8,000

## Operating Expenses Summary

The Authority is made up of five departments that include Finance and Administration, Operations and Facilities, Air Service Development, Terminal Services and AirFest. Each departmental budget is presented in the subsequent sections. This includes a summary of the department, goals for the coming year, the budget, and justifications. Each department except for AirFest is directly related to all revenue sources. Without the staff in each of these departments working together the revenue sources would not continue to evolve and strengthen. With the addition of the new departments this will allow us to track related costs in the future which will help us evaluate the need for reclassifying or regrouping revenues to be better match related expenses. A combined report follows showing the budgeted operating expenses for the year by department then in total.



**Operating Expenses Combined Departmental Budget**

CODE/LINE ITEM, All Departments	Finance & Admin.	Operations & Facilities	Air Serv Develop	Terminal Services	AirFest	BUDGET FYE08	BUDGET FYE07	Dollar Change	Percentage Change
<b>PERSONNEL SERVICES</b>									
5400 Insurance	106,616	\$ 212,649	\$ 30,384	\$ 33,224	\$ 15,053	397,925	\$ 377,720	\$ 20,205	5.35%
5401 Insurance-retirees	111,953	-	-	-	-	111,953	116,068	(4,115)	(3.55%)
5450 Overtime	2,735	51,975	-	5,333	-	60,043	59,054	989	1.68%
5451 Double time	-	13,628	-	2,222	-	15,850	10,393	5,457	52.50%
5500 Payroll taxes	60,461	107,134	13,660	14,932	4,558	200,745	178,802	21,943	12.27%
5560 Pension contribution	59,289	74,521	8,763	10,176	3,287	156,036	140,099	15,937	11.38%
5561 Pension contribution Graa Pebsco	7,750	-	-	-	-	7,750	5,700	2,050	35.96%
5600 Salaries/wages	693,995	1,054,300	142,940	140,134	47,700	2,079,069	1,869,290	209,779	11.22%
5605 Outside labor	-	-	-	-	-	-	-	-	-
5610 Pager pay	-	2,600	-	-	-	2,600	2,600	-	0.00%
5700 Tool allowance	-	1,800	-	-	-	1,800	1,800	-	0.00%
5750 Training	5,000	7,300	1,500	1,000	-	14,800	16,150	(1,350)	(8.36%)
5800 Workers compensation insurance	5,945	89,930	1,145	9,626	429	107,076	104,742	2,334	2.23%
5900 Uniforms	-	5,782	-	858	-	6,640	5,460	1,180	21.62%
5901 Uniforms-lost,damaged,replaced	-	350	-	150	-	500	500	-	0.00%
5902 Uniforms-shoe allowance	-	-	-	-	-	-	-	-	-
5903 Uniforms-other	-	5,600	-	1,050	-	6,650	6,000	650	10.83%
5904 Uniforms-cyeglasses	-	-	-	-	-	-	-	-	-
<b>TOTAL PERSONNEL SERVICES</b>	<b>1,053,745</b>	<b>1,627,569</b>	<b>198,392</b>	<b>218,704</b>	<b>71,026</b>	<b>3,169,436</b>	<b>2,894,378</b>	<b>275,058</b>	<b>9.50%</b>
<b>CONTRACTUAL SERVICES</b>									
6020 Advertising	-	-	-	-	-	-	-	-	-
6021 Ad-Television	-	-	109,500	-	6,326	115,826	100,000	15,826	15.83%
6022 Ad-Radio	-	-	43,000	-	6,000	49,000	90,000	(41,000)	(45.56%)
6023 Ad-Billboards	-	-	73,000	-	4,600	77,600	140,000	(62,400)	(44.57%)
6024 Ad-Direct	-	-	6,500	-	-	6,500	15,000	(8,500)	(100.00%)
6025 Ad-Promotions	-	-	16,000	-	-	16,000	5,000	11,000	220.00%
6026 Ad-Print	-	-	86,000	-	18,074	104,074	140,000	(35,926)	(25.66%)
6050 Audit	30,000	-	-	-	-	30,000	25,000	5,000	20.00%
6040 Airfield repair	-	7,000	-	-	-	7,000	6,550	450	6.87%
6100 Building repair	2,000	29,000	-	2,000	-	33,000	29,300	3,700	12.63%
6120 Charter program	-	-	-	-	-	-	-	-	-
6121 Milesahead program	-	-	60,000	-	-	60,000	60,000	-	0.00%
6140 Conferences & meetings	13,695	1,000	14,500	6,800	56,150	92,145	71,530	20,615	28.82%
6145 Air service start up	-	-	-	-	-	-	-	-	-
6150 Revenue guarantee	-	-	-	-	-	-	1,750,000	(1,750,000)	(100.00%)
6160 Consulting services	57,684	-	60,000	-	-	117,684	110,684	7,000	6.32%
6161 ARFF contractual services	-	750,375	-	-	-	750,375	725,000	25,375	3.50%
6162 ARFF training	-	25,000	-	-	-	25,000	30,000	(5,000)	(16.67%)
6165 Airshow	-	-	-	-	219,200	219,200	425,010	(205,810)	(48.42%)
6200 Energy	-	-	-	-	-	-	-	-	-
6201 Energy-electric	38,000	132,000	-	150,000	-	320,000	257,000	63,000	24.51%
6202 Energy-natural gas	10,000	45,000	-	20,000	-	75,000	95,000	(20,000)	(21.05%)
6300 Engineering services	35,000	-	-	-	-	35,000	35,000	-	0.00%
6320 Equipment maintenance	-	-	-	-	-	-	-	-	-
6321 Equip maint-repairs/services	1,000	24,510	-	8,450	-	33,960	22,260	11,700	52.56%
6322 Equip maint-service contracts	17,750	142,400	-	26,100	-	186,250	138,450	47,800	34.53%
6350 Equipment rental	14,900	14,500	-	3,000	62,000	94,400	81,558	12,842	15.75%
6400 Insurance	233,000	-	-	-	14,685	247,685	247,000	685	0.28%
6402 Insurance deductible	10,000	-	-	-	-	10,000	10,000	-	0.00%
6410 Landscaping	-	4,000	-	9,240	-	13,240	2,500	10,740	429.60%
6440 Legal notices	6,850	-	-	-	-	6,850	6,850	-	0.00%
6450 Legal services	-	-	-	-	-	-	-	-	-
6451 Legal services-general	50,000	-	-	-	-	50,000	40,000	10,000	25.00%
6452 Legal services-personnel	12,000	-	-	-	-	12,000	25,000	(13,000)	(52.00%)
6453 Legal services-other	2,000	-	-	-	-	2,000	3,000	(1,000)	(33.33%)
6480 Licenses,titles & inspections	-	3,500	-	-	185	3,685	6,050	(2,365)	(39.09%)
6510 Medical exams	500	1,700	-	500	-	2,700	2,100	600	28.57%
6540 Membership dues	27,140	750	760	1,000	-	29,650	41,185	(11,535)	(28.01%)
6600 Other	9,000	2,000	1,000	9,000	-	21,000	11,750	9,250	78.72%
6640 Payment services	6,600	-	-	-	-	6,600	7,900	(1,300)	(16.46%)
6670 Permits & testing	-	1,000	-	-	-	1,000	1,250	(250)	(20.00%)
6700 Postage	8,200	-	400	500	-	9,100	8,600	500	5.81%
6730 Printing	6,800	-	35,000	-	19,950	61,750	68,625	(6,875)	(10.02%)
6750 Telephone	-	-	-	-	-	-	-	-	-
6751 Telephone-cellular	4,000	15,600	1,000	4,400	-	25,000	18,900	6,100	32.28%
6752 Telephone-local	29,200	15,000	1,700	6,700	-	52,600	48,100	4,500	9.36%
6753 Telephone-long distance	3,900	765	200	500	-	5,365	5,500	(135)	(2.45%)
6754 Telephone-pagers	-	-	-	-	-	-	-	-	-
6800 Travel & transportation	17,060	3,750	11,840	-	56,500	89,150	82,727	6,423	7.76%
6850 Utilities	2,000	4,350	-	3,700	-	10,050	20,300	(10,250)	(50.49%)
6900 Vehicle maintenance	500	6,200	-	-	-	6,700	9,700	(3,000)	(30.93%)
6950 Waste removal	-	8,160	-	5,400	-	13,560	13,750	(190)	(1.38%)
<b>TOTAL CONTRACTUAL SERVICES</b>	<b>648,779</b>	<b>1,237,560</b>	<b>520,400</b>	<b>257,290</b>	<b>463,670</b>	<b>3,127,699</b>	<b>5,033,129</b>	<b>(1,905,430)</b>	<b>(37.86%)</b>
<b>COMMODITIES</b>									
7100 Building repair	1,000	17,000	-	28,700	-	46,700	42,000	4,700	11.19%
7140 Conferences & meetings	15,000	3,700	11,500	7,460	-	37,660	34,200	3,460	10.12%
7200 Equipment	14,500	20,500	1,750	11,500	-	48,250	39,500	8,750	22.15%
7240 Fence/gate	-	2,600	-	-	-	2,600	3,450	(850)	(24.64%)
7270 Fuel	-	-	-	-	-	-	-	-	-
7271 Fuel-diesel	-	42,300	-	-	-	42,300	49,800	(7,500)	(15.06%)
7272 Fuel-unleaded	-	32,250	-	-	-	32,250	38,700	(6,450)	(16.67%)
7273 Fuel-other	-	500	-	-	-	500	700	(200)	(28.57%)
7300 Landscaping	-	4,000	-	3,000	-	7,000	13,200	(6,200)	(46.97%)
7380 Other	1,000	1,500	1,000	2,000	-	5,500	3,750	1,750	46.67%
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%

**Operating Expenses Combined Departmental Budget**

CODE/LINE ITEM, All Departments	Finance & Admin.	Operations & Facilities	Air Serv Develop	Terminal Services	AirFest	BUDGET FYE08	BUDGET FYE07	Dollar Change	Percentage Change
7501 Raw materials-deicing only	-	220,000	-	-	-	220,000	219,640	360	0.16%
7540 Signage	-	12,500	-	10,000	8,000	30,500	10,500	20,000	190.48%
7580 Software	16,000	15,000	-	4,625	-	35,625	31,000	4,625	14.92%
7600 Subscriptions	8,495	1,075	720	300	-	10,590	10,250	340	3.32%
7660 Supplies-janitorial	-	9,770	-	18,550	-	28,320	26,500	1,820	6.87%
7690 Supplies-lighting(airfield)	-	95,000	-	-	-	95,000	110,700	(15,700)	(14.18%)
7720 Supplies-mechanical (airfield)	-	38,500	-	-	-	38,500	38,575	(75)	(0.19%)
7750 Supplies-office	12,000	1,750	750	1,500	-	16,000	14,600	1,400	9.59%
7780 Supplies-other	-	2,500	-	9,800	62,950	75,250	59,450	15,800	26.58%
7782 Supplies-hardware	-	7,000	-	-	-	7,000	8,150	(1,150)	(14.11%)
7796 Supplies-promotiona	-	-	39,000	-	12,000	51,000	46,240	4,760	10.29%
7810 Supplies-specialty	-	10,000	-	-	-	10,000	10,000	-	0.00%
7830 Supplies-steel stock	-	2,500	-	-	-	2,500	2,700	(200)	(7.41%)
7850 Supplies-storm sewer/drain	-	2,000	-	-	-	2,000	2,000	-	0.00%
7880 Supplies-welding	-	1,800	-	-	-	1,800	2,400	(600)	(25.00%)
7900 Vehicle maintenanc	-	-	-	-	-	-	-	-	0.00%
7901 Maint-licensed vehicles	500	12,350	-	-	-	12,850	8,525	4,325	50.73%
7902 Maint-equipment	-	75,000	-	-	-	75,000	56,150	18,850	33.57%
TOTAL COMMODITIES	68,495	665,295	54,720	97,435	82,950	968,895	916,880	52,015	5.67%
OTHER									
8200 Contingency	28,000	-	-	-	-	28,000	28,000	-	0.00%
8400 Glycol retention treatment facility	-	117,700	-	-	-	117,700	150,600	(32,900)	(21.85%)
8410 Landfill environmental cost	-	65,000	-	-	-	65,000	149,000	(84,000)	(56.38%)
8415 Property Taxes	-	80,000	-	-	-	80,000	79,844	156	0.20%
TOTAL OTHER	28,000	262,700	-	-	-	290,700	407,444	(116,744)	(28.65%)
FISCAL YEAR TOTALS	\$ 1,799,019	\$ 3,793,124	\$ 773,512	\$ 573,429	\$ 617,646	\$ 7,556,730	\$ 9,251,831	\$ (1,695,101)	(18.32%)



## **Finance and Administration Department Summary**

The Finance and Administration Department is responsible for the administration, financial management of policies and procedures of the Greater Rockford Airport Authority. This department includes the Executive Director and his strategic goals and economic development planning. Other functions include 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.

### FYE08 Goals and Objectives

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

- Continue to enhance and grow air service.
- Develop and present air passenger business market plans to at least four airlines.
- Develop and present business market plans to air cargo carriers as opportunities arise.
- Increase the economic impact of RFD to the region and the state of Illinois
- Annual Receipt of the GFOA budget award.
- Timely availability of budget packets to Board
- Monthly Reports presented to Board and Staff on a timely basis
- Periodic review of airport rates and fees with the goal of keeping the cost per enplaned passenger below \$5.00.
- Receipt of GFOA certificate of achievement for excellence in financial reporting

- Assure that cash flows meet the Authority needs while maximizing investment opportunities.
- Research and investigate other revenue sources for Authority included but not limited to advertising and fuel farming.
- 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	ACTUAL FYE06	BUDGET FYE07	ESTIMATE FYE07	BUDGET FYE08
<b>PERSONNEL SERVICES</b>								
5400 Insurance	\$ 55,652	\$ 72,798	\$ 73,147	\$ 77,936	\$ 82,040	\$ 94,487	\$ 90,033	\$ 106,616
5401 Insurance-retirees	62,614	77,001	86,191	105,703	110,281	116,068	110,576	111,953
5450 Overtime	559	1,018	1,265	223	596	1,539	1,596	2,735
5500 Payroll taxes	54,385	62,002	64,702	56,929	78,129	55,188	74,826	60,461
5560 Pension contribution	69,466	40,701	71,644	66,661	50,561	55,913	48,146	59,289
5561 Pension contribution GRAA Pebsco	-	5,758	5,758	5,758	5,758	5,700	5,690	7,750
5600 Salaries/wages	564,127	617,306	632,534	570,850	594,647	653,044	611,729	693,995
5605 Outside labor	-	-	-	1,326	12,710	-	7,076	-
5750 Training	2,506	1,374	3,642	3,739	1,989	4,000	267	5,000
5800 Workers compensation insurance	-	-	-	5,027	4,194	5,764	4,037	5,945
5900 Uniforms	-	-	-	-	-	-	-	-
<b>TOTAL PERSONNEL SERVICES</b>	<b>809,309</b>	<b>877,958</b>	<b>938,882</b>	<b>894,152</b>	<b>940,904</b>	<b>991,703</b>	<b>953,977</b>	<b>1,053,745</b>
<b>CONTRACTUAL SERVICES</b>								
6050 Audit	16,456	18,691	14,797	18,894	20,484	25,000	28,665	30,000
6100 Building repair	213	891	-	1,760	-	2,000	1,101	2,000
6140 Conferences & meetings	4,270	12,085	9,836	11,877	17,981	54,500	80,603	13,695
6160 Consulting services	104,274	33,893	41,629	23,216	101,652	55,184	70,611	57,684
6165 Airshow contractual - performers and host	-	-	-	-	530,614	425,010	241,796	-
6200 Energy	-	-	-	-	-	-	-	-
6201 Energy-electric	25,236	30,427	28,209	18,906	32,607	27,000	20,709	38,000
6202 Energy-natural gas	8,626	9,761	10,824	12,563	11,763	15,000	17,070	10,000
6300 Engineering services	30,287	22,353	44,835	37,623	36,305	35,000	55,549	35,000
6320 Equipment maintenance	209	-	3,700	-	-	-	-	-
6321 Equip.maint-repairs/services	1,138	3,835	3,796	2,553	-	1,000	2,133	1,000
6322 Equip.maint-service contracts	9,458	7,223	2,891	7,802	9,215	15,950	10,112	17,750
6350 Equipment rental	1,752	1,892	1,857	6,459	15,313	65,718	71,671	14,900
6400 Insurance	155,804	237,339	346,114	242,599	243,945	247,000	242,932	233,000
6402 Insurance deductible	5,357	-	978	2,632	9,326	10,000	1,333	10,000
6440 Legal notices	3,853	5,739	7,578	5,314	3,450	6,850	14,658	6,850
6450 Legal services	-	-	-	-	-	-	-	-
6451 Legal services-general	25,052	35,868	32,695	46,335	36,581	40,000	44,038	50,000
6452 Legal services-personnel	44,108	24,273	25,762	29,154	35,971	25,000	8,875	12,000
6453 Legal services-other	10,599	46,778	20,086	3,300	3,049	3,000	1,200	2,000
6480 Licenses, titles & inspections - Airshow	-	-	-	-	-	2,500	140	-
6510 Medical exams	1,656	361	255	352	210	500	666	500
6540 Membership dues	21,650	23,310	23,500	37,621	24,159	39,700	5,785	27,140
6600 Other	8,386	13,607	10,373	9,002	10,218	9,000	21,286	9,000
6640 Payment services	8,844	9,958	8,828	8,087	7,960	7,900	9,230	6,600
6700 Postage	5,261	6,876	7,644	5,296	5,347	8,200	8,773	8,200
6730 Printing	4,297	7,668	10,213	5,950	6,152	32,050	22,722	6,800
6750 Telephone	-	-	-	-	-	-	-	-
6751 Telephone-cellular	768	2,866	3,080	3,599	3,642	4,400	4,024	4,000
6752 Telephone-local	9,792	11,510	17,762	25,350	32,552	39,200	32,867	29,200
6753 Telephone-long distance	2,240	1,658	3,000	5,805	4,365	5,000	3,890	3,900
6754 Telephone-pagers	450	168	143	-	-	-	-	-
6800 Travel & transportation	12,425	20,235	20,371	17,744	26,670	63,637	84,888	17,060
6850 Utilities	-	-	-	684	892	2,000	864	2,000
6900 Vehicle maintenance	-	-	-	-	-	500	107	500
<b>TOTAL CONTRACTUAL SERVICES</b>	<b>522,461</b>	<b>589,266</b>	<b>700,757</b>	<b>590,476</b>	<b>1,230,423</b>	<b>1,267,799</b>	<b>1,108,298</b>	<b>648,779</b>
<b>COMMODITIES</b>								
7100 Building repair	353	3,598	1,488	-	-	1,000	-	1,000
7140 Conferences & meetings	8,597	9,699	10,448	7,767	5,518	15,000	11,535	15,000
7200 Equipment	5,899	6,355	12,664	3,289	16,436	10,000	13,352	14,500
7380 Other	906	16	729	2,100	25	1,000	1,451	1,000
7540 Signage - Airshow	-	-	-	-	-	3,500	12,679	-
7580 Software	3,402	7,298	4,296	5,044	22,754	16,000	19,037	16,000
7600 Subscriptions	5,708	4,287	6,338	6,308	8,423	8,495	3,612	8,495
7750 Supplies-office	8,788	11,390	12,524	16,835	21,809	12,000	13,211	12,000
7780 Supplies-other - Airshow	-	-	-	-	-	49,650	65,426	-
7796 Supplies-promotional - Airshow	-	-	-	-	-	12,240	13,179	-
7901 Maint-licensed vehicles	267	2,049	224	-	-	500	-	500
<b>TOTAL COMMODITIES</b>	<b>33,920</b>	<b>44,692</b>	<b>48,710</b>	<b>41,343</b>	<b>74,965</b>	<b>129,385</b>	<b>153,482</b>	<b>68,495</b>
<b>OTHER</b>								
8200 Contingency	-	-	-	-	-	28,000	-	28,000
8350 Marketing	31,695	47,798	11,880	3,781	2,076	-	-	-
<b>TOTAL OTHER</b>	<b>31,695</b>	<b>47,798</b>	<b>11,880</b>	<b>3,781</b>	<b>2,076</b>	<b>28,000</b>	<b>-</b>	<b>28,000</b>
<b>DEPARTMENT TOTAL</b>	<b>\$ 1,397,385</b>	<b>\$ 1,559,714</b>	<b>\$ 1,700,229</b>	<b>\$ 1,529,752</b>	<b>\$ 2,248,368</b>	<b>\$ 2,416,887</b>	<b>\$ 2,215,756</b>	<b>\$ 1,799,019</b>

## 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 = \$5,188

Employee + Spouse = \$9,919

Employee + Children = \$9,082

Family = \$13,813

Medicare Supp. D = \$2,373

##### *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	95,844
Dental	5,737
Life	5,036
Total employee insurance	\$ 106,616

#### 5401 Retiree insurance

Health	102,683
Dental	9,137
Life	133
Total retiree insurance	\$ 111,953

#### 5450 Overtime

Estimated 150 hours of overtime for hourly employees.	\$ 2,735
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#### 5500 Payroll taxes

FICA - 6.2% of base wage up to \$97,500	38,346
Medicare - 1.45% of base wage	10,217
State unemployment - 7.9% of the first \$11,500	11,897
Total payroll taxes	\$ 60,461

#### 5560 Pension contribution

IMRF pension fund - 6.89%	\$ 59,289
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#### 5561 Pension contribution GRAA Pepsco

Pepsco contribution for Executive Director	\$ 7,750
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#### 5600 Salaries

Commissioner stipends - Seven commissioners	12,600
Salaries - 11 full time employees , 1 temporary help and 1 intern	681,395
Total salaries	\$ 693,995

#### 5750 Training

Continuing professional education (CPE's)	500
Human resources & supervision	500
FTZ training	2,500
Procurement/finance	750
Information technology training	750
Total training	\$ 5,000

#### 5800 Workers compensation insurance

	\$ 5,945
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## Finance and Administration Budget Justifications

### CONTRACTUAL SERVICES

<b>6050 Audit</b>		
Independent auditor	14,500	
GFOA award applications	700	
Grant audits	12,000	
AFR production costs	2,800	
Total audit	<u>\$ 30,000</u>	
<b>6100 Building repair</b>		
Structural repair of administration building.	<u>\$ 2,000</u>	
<b>6140 Conferences &amp; meetings</b>		
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	
Total conferences & meetings	<u>\$ 13,695</u>	
<b>6160 Consulting services</b>		
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	12,000	
Custom programing -database	3,000	
Total consulting services	<u>\$ 57,684</u>	
<b>6201 Energy-electric (60 Airport Dr.)</b>		<u>\$ 38,000</u>
<b>6202 Energy-natural gas (60 Airport Dr.)</b>		<u>\$ 10,000</u>
<b>6300 Engineering services</b>		
Cost for professional engineering services rendered by outside engineering firms.		
Crawford, Murphy & Tilly, Inc.	30,000	
Other	5,000	
Total engineering services	<u>\$ 35,000</u>	
<b>6321 Equip maint-repairs/services</b>		<u>\$ 1,000</u>
<b>6322 Equip maint-service contracts</b>		
Software support - Best FAS	650	
Software support - MAS90	2,500	
Software support - property management	1,300	
Copy machine	9,600	
Telephone system	3,700	
Total equipment maintenance-service contracts	<u>\$ 17,750</u>	

## Finance and Administration Budget Justifications

<b>6350 Equipment rental</b>		2,700
	Postage/scale meter lease (\$225/mo)	12,000
	Copy machine (\$1,000/mo)	200
	Other	200
	Total equipment rental	\$ 14,900
<b>6400 Insurance</b>		
	Aviation liability	67,000
	Automotive	23,000
	Property	83,000
	Public officials liability	60,000
	Total insurance	\$ 233,000
<b>6402 Insurance deductible</b>		\$ 10,000
<b>6440 Legal notices</b>		
	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
<b>6451 Legal services-general</b>		\$ 50,000
<b>6452 Legal services-personnel</b>		\$ 12,000
<b>6453 Legal services-other</b>		\$ 2,000
<b>6510 Medical exams</b>		\$ 500
<b>6540 Membership dues</b>		
	Association of Airport Internal Auditors (AAIA)	125
	American Association of Airport Executives (AAAE) (2)	450
	AAAE Regulatory Membership	2,000
	AAAE Legislative Membership	1,500
	Airport Purchasing Group (APG)	50
	American Certified Professional Accountants Society (AICPA)	150
	Chamber of Commerce (Belvidere, Freeport, Loves Park-Machesney Park, & Rockford)	1,140
	Economic Development Council	12,000
	Employers Association	420
	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)	325
	National Public Employers Labor Relations Assoc. (NPELRA)	200
	National Purchasing Institute & Institute of Supply Mgmt (NPI&ISM)	200
	National Association of Foreign Trade Zones (NAFTZ)	1,200
	Prairie Shield Program	2,500
	Other	205
	Sam's club	135
	Wells Fargo BusinessMiles fee	50
	Total membership dues	\$ 27,140
<b>6600 Other - Contractual services not itemized in other accounts.</b>		\$ 9,000

## Finance and Administration Budget Justifications

<b>6640 Payment services</b>	6,500
Bi-weekly payroll processing & quarterly reports (\$500/mo est)	
Other	100
Total payment services	\$ 6,600
<b>6700 Postage</b>	1,000
Overnight mail	
Postage, metered (approx \$583/mo)	7,000
Other	200
Total postage	\$ 8,200
<b>6730 Printing</b>	1,000
Checks, statements, HR forms	
Enlarging, duplicating, binding	1,500
Christmas cards	800
Photographs	500
Business cards	1,000
Miscellaneous	2,000
Total printing	\$ 6,800
<b>6751 Telephone-cellular</b>	\$ 4,000
<b>6752 Telephone-local</b>	13,000
Local carrier	
Remote internet connection	1,700
Answering service	9,500
Internet connection (T1 connection)	5,000
Total telephone - local	\$ 29,200
<b>6753 Telephone-long distance</b>	\$ 3,900
<b>6800 Travel &amp; transportation (airfare/hotel/per diem)</b>	
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
Other	2,000
Total travel & transportation	\$ 17,060
<b>6850 Utilities</b>	1,000
Water	
Sewer	1,000
Total utilities	\$ 2,000
<b>6900 Vehicle maintenance</b>	500
One departmental vehicle	
Total vehicle maintenance	\$ 500
<b>COMMODITIES</b>	
<b>7100 Building repair</b>	1,000
Materials for administration and operations building.	\$ 1,000

## Finance and Administration Budget Justifications

<b>7140 Conferences &amp; meetings</b>	<u>4,000</u>
In-house lunch/meetings	4,000
Bottled water	1,000
Employee events	5,000
Meeting supplies	5,000
Total conferences & meetings	<u>\$ 15,000</u>
<b>7200 Equipment</b>	<u>9,500</u>
Computers - 3 - 5 replacements	9,500
Other	5,000
Total equipment	<u>\$ 14,500</u>
<b>7380 Other - Commodities not itemized in other accounts.</b>	<u>\$ 1,000</u>
<b>7580 Software</b>	<u>2,000</u>
Payroll software	2,000
Other	14,000
Total software	<u>\$ 16,000</u>
<b>7600 Subscriptions</b>	<u>1,800</u>
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	<u>\$ 8,495</u>
<b>7750 Supplies-office</b>	<u>4,000</u>
Copier & printer paper/fax cartridges	4,000
Office supplies	5,000
Stationery/envelopes for stock	2,000
Binding machine	1,000
Total supplies-office	<u>\$ 12,000</u>
<b>7901 Maintenance-licensed vehicles</b>	<u>\$ 500</u>
OTHER	<u>\$ 28,000</u>
<b>8200 Contingency</b>	<u>\$ 28,000</u>



## **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.

### FYE08 Goals and Objectives

Ensure that the operations, airport facilities and properties at RFD provide for safety and security of its users while delivering the highest standard of customer service in compliance with Part 139 of the FAA regulations and in a world class manner.

- Communicate regularly with tenants and regulatory agencies on a regular basis.
- Snow removal planning and coordination with no airport closings
- Monitor Certification Manual and update as necessary.
- Ensure RFD is prepared for annual FAA certification with no findings
- Ensure RFD remains in compliance with FAR139
- Direct and coordinate operations to ensure all facilities and systems remain operational and in compliance with local, state, federal, FAA and TSA requirements.

**Operations and Facilities Department Budget**

CODE/LINE ITEM, Department 05	ACTUAL FYE 02	ACTUAL FYE 03	ACTUAL FYE04	ACTUAL FYE05	ACTUAL FYE06	BUDGET FYE07	ESTIMATE FYE07	BUDGET FYE08
<b>PERSONNEL SERVICES</b>								
5400 Insurance	\$ 103,318	\$ 122,036	\$ 136,078	\$ 131,164	\$ 145,954	\$ 252,004	\$ 190,041	\$ 212,649
5450 Overtime	39,491	32,294	46,944	74,421	61,954	57,515	37,551	51,975
5451 Double time	7,374	7,160	23,038	23,704	48,200	10,393	10,310	13,628
5500 Payroll taxes	54,680	53,075	58,179	59,840	67,813	108,121	80,234	107,134
5560 Pension contribution	34,622	38,307	76,982	82,021	64,556	73,082	67,582	74,521
5600 Salaries/wages	681,174	671,502	696,209	720,920	820,956	1,047,743	932,028	1,054,300
5605 Outside labor				22,493	103,441	-	49,607	
5610 Pager pay	2,914	7,800	7,850	2,700	2,600	2,600	5,267	2,600
5700 Tool allowance	1,850	1,750	1,800	1,800	1,800	1,800	1,800	1,800
5750 Training	1,003	395	1,068	1,600	770	10,800	-	7,300
5800 Workers compensation insurance	-	-	-	110,472	99,461	97,475	95,831	89,930
5900 Uniforms	6,421	4,625	4,564	4,026	4,034	5,460	5,031	5,782
5901 Uniforms-lost,damaged,replaced	-	2,623	392	-	37	500	309	350
5902 Uniforms-shoe allowance	806	594	741	647	316	-	348	-
5903 Uniforms-other	58	333	-	1,157	1,112	6,000	236	5,600
5904 Uniforms-eyeglasses	150	376	150	300	-	-	861	-
<b>TOTAL PERSONNEL SERVICES</b>	<b>933,861</b>	<b>942,869</b>	<b>1,053,996</b>	<b>1,237,264</b>	<b>1,423,004</b>	<b>1,673,493</b>	<b>1,477,036</b>	<b>1,627,569</b>
<b>CONTRACTUAL SERVICES</b>								
6040 Airfield repair	916	3,993	200	2,838	8,423	6,550	-	7,000
6100 Building repair	23,872	22,359	47,593	14,075	20,418	27,300	28,161	29,000
6140 Conferences & meetings	300	400	1,186	1,513	1,498	830	1,707	1,000
6161 ARFF contractual services					650,004	725,000	725,000	750,375
6162 ARFF training					81	30,000	2,940	25,000
6200 Energy	-	-	-	-	-	-	-	-
6201 Energy-electric	112,806	88,990	185,770	200,445	213,322	230,000	221,177	132,000
6202 Energy-natural gas	38,852	48,555	49,317	65,007	92,746	80,000	53,282	45,000
6320 Equipment maintenance	-	-	-	1,497	1,215	-	-	-
6321 Equip maint-repairs/services	5,958	13,907	34,436	32,840	29,367	21,260	41,005	24,510
6322 Equip maint-service contracts	8,899	7,907	6,185	7,417	67,795	122,500	84,759	142,400
6350 Equipment rental	8,623	13,713	15,343	18,283	20,190	15,840	19,256	14,500
6410 Landscaping	1,200		14	585	2,180	2,500	7,062	4,000
6480 Licenses, titles & inspections	834	1,007	1,863	2,478	2,698	3,550	1,138	3,500
6510 Medical exams	1,137	2,835	3,237	722	408	1,600	2,805	1,700
6540 Membership dues	295	-	-	225	350	675	567	750
6600 Other	27,067	20,571	1,080	52	2,167	1,750	4,930	2,000
6670 Permits & testing	700	1,497	10	500	150	1,250	900	1,000
6750 Telephone	-	-	-	-	-	-	-	-
6751 Telephone-cellular	913	6,269	9,887	9,442	12,291	13,000	13,310	15,600
6752 Telephone-local	6,715	6,726	7,739	7,860	7,064	7,200	15,136	15,000
6753 Telephone-long distance	286	262	344	242	4	300	2,168	765
6754 Telephone-pagers	956	614	430	-	-	-	-	-
6800 Travel & transportation	1,544	352	2,371	7,121	1,676	3,750	3,511	3,750
6850 Utilities	8,782	10,451	14,360	11,658	14,203	18,300	5,436	4,350
6900 Vehicle maintenance	11,901	9,655	4,591	982	3,131	9,200	3,929	6,200
6910 Weather Reporting								
6950 Waste removal	16,025	14,303	14,307	14,645	13,559	13,750	13,031	8,160
<b>TOTAL CONTRACTUAL SERVICES</b>	<b>278,581</b>	<b>274,365</b>	<b>400,262</b>	<b>400,428</b>	<b>1,164,938</b>	<b>1,336,105</b>	<b>1,251,207</b>	<b>1,237,560</b>
<b>COMMODITIES</b>								
7100 Building repair	30,790	30,030	51,616	51,971	44,488	41,000	41,310	17,000
7140 Conferences & meetings	3,417	2,932	3,217	1,822	2,754	3,700	3,441	3,700
7200 Equipment	33,934	40,331	71,347	10,107	17,714	27,000	16,301	20,500
7240 Fence/gate	729	7,097	1,885	6,212	2,300	3,450	236	2,600
7270 Fuel	-	-	-	-	-	-	-	-
7271 Fuel-diesel	16,638	51,385	20,435	31,849	33,274	49,800	50,178	42,300
7272 Fuel-unleaded	17,521	17,114	21,279	22,240	30,453	38,700	27,111	32,250
7273 Fuel-other	195	556	286	393	526	700	423	500
7300 Landscaping	9,359	8,403	9,440	9,427	6,164	13,200	15,060	4,000
7380 Other	464	454	620	348	240	1,750	-	1,500
7400 Pavement marking	28,518	9,537	5,806	17,772	13,389	25,000	24,401	25,000
7440 Pavement repair	43,219	1,738	9,596	707	1,705	7,000	5,319	7,000
7500 Raw materials	2,988	1,971	2,841	1,361	-	2,200	1,563	2,200
7501 Raw materials-deicing only	166,825	97,698	204,112	206,009	281,093	219,640	210,000	220,000
7540 Signage	218	1,317	12,209	5,631	1,866	7,000	11,346	12,500
7580 Software	-	9,330	1,650	179	625	15,000	-	15,000
7600 Subscriptions	1,143	1,635	1,221	248	630	1,035	663	1,075
7660 Supplies-janitorial	9,219	11,220	10,371	18,656	16,855	26,500	14,524	9,770
7690 Supplies-lighting/electrical (airside)	43,597	20,900	46,336	81,035	108,342	110,700	64,980	95,000
7720 Supplies-snow removal wafers, poly-steel blades	-	-	-	22,486	42,830	38,575	42,774	38,500
7750 Supplies-office					2,813	1,850	2,093	1,750
7780 Supplies-other	2,662	2,591	3,503	4,900	8,637	9,800	9,777	2,500
7782 Supplies-hardware	5,837	2,705	9,567	9,274	7,326	8,150	6,685	7,000
7784 Supplies-other (parking)	-	-	-	-	-	-	-	-
7810 Supplies-specialty						10,000		10,000

### Operations and Facilities Department Budget

CODE/LINE ITEM, Department 05	ACTUAL FYE 02	ACTUAL FYE 03	ACTUAL FYE04	ACTUAL FYE05	ACTUAL FYE06	BUDGET FYE07	ESTIMATE FYE07	BUDGET FYE08
7830 Supplies-steel stock	921	1,775	2,311	1,557	482	2,700	188	2,500
7850 Supplies-storm sewer/drain	-	18	320	-	-	2,000	1,383	2,000
7880 Supplies-welding	2,812	1,273	1,447	468	930	2,400	-	1,800
7900 Vehicle maintenance	38,916	10,983	19,765	25,592	6,644	-	-	-
7901 Maint-licensed vehicles	5,466	10,357	5,232	10,015	15,299	8,025	14,485	12,350
7902 Maint-equipment	60,428	60,471	35,501	33,926	55,544	56,150	73,111	75,000
TOTAL COMMODITIES	525,817	403,820	551,914	574,181	702,922	733,025	637,352	665,295
OTHER								
8200 Contingency	-	-	-	-	-	-	-	-
8400 Glycol retention treatment facility	106,332	83,139	69,063	77,731	92,674	150,600	66,245	117,700
8410 Landfill environmental costs	113,446	155,416	175,728	145,508	103,613	149,000	50,525	65,000
8415 Property taxes	(79,107)	57,137	100,649	57,902	80,045	79,844	80,045	80,000
TOTAL OTHER	140,671	295,692	345,439	281,141	276,332	379,444	196,815	262,700
DEPARTMENT TOTAL	\$ 1,878,930	\$ 1,916,746	\$ 2,351,611	\$ 2,493,014	\$ 3,567,196	\$ 4,122,067	\$ 3,562,409	\$ 3,793,124

## 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 = \$5,188

Employee + Spouse = \$9,919

Employee + Children = \$9,082

Family = \$13,813

##### *Dental insurance*

Monthly administration fee of \$5.20 per employee and the monthly est cost. 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	192,524
Dental	11,474
Life	8,651
Total employee insurance	\$ 212,649

#### 5450 Overtime

Estimated 1,750 hours of overtime for hourly employees.

\$ 51,975

#### 5451 Double time

Estimated 335 hours of overtime for hourly employees.

\$ 13,628

#### 5500 Payroll taxes

FICA - 6.2% of base wage up to \$97,500

69,936

Medicare - 1.45% of base wage

16,302

State unemployment - 7.9% of the first \$11,500

20,896

Total payroll taxes

\$ 107,134

#### 5560 Pension contribution

IMRF pension fund - 6.89%

\$ 74,521

#### 5600 Salaries

Includes 20 full time employees and 3 interns.

\$ 1,054,300

#### 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)

2,500

Rock Valley (job related - Tech I, II, III) (4 @ 250)

1,000

Environmental (2ee)

1,000

Airport security coordinator

300

Security system training

1,300

Total training

\$ 7,300

#### 5800 Workers compensation insurance

\$ 89,930

#### 5900 Uniforms

16ee @ \$5.50/week, 3ee @ \$5.90/week

\$ 5,782

#### 5901 Uniforms - lost/damage/replacement

\$ 350

## Operations and Facilities Department Justifications

<b>5903 Uniforms - other</b>			
	Clothing Allowance		5,600
	Total other uniforms	\$	<u>5,600</u>
 CONTRACTUAL SERVICES			
<b>6040 Airfield repair</b>			
	Contractual services for repairs to lighting system, pavement surfaces and plumbing systems.	\$	<u>7,000</u>
 <b>6100 Building repair</b>			
	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		5,200
	Total building repair	\$	<u>29,000</u>
 <b>6140 Conferences &amp; meetings</b>		\$	<u>1,000</u>
 <b>6161 ARFF contractual services</b>			
	Contract with the City of Rockford for all ARFF services.	\$	<u>750,375</u>
 <b>6162 ARFF training</b>			
	Training for City of Rockford fire department employees for airport ARFF procedures.		
	Annual live burn training, simulator & fuel & related expenses		20,000
	Training equipment, CDs		1,000
	ARFF training		1,500
	Conferences (5n, 2ee)		2,000
	Other		500
	Total ARFF training	\$	<u>25,000</u>
 <b>6201 Energy-electric</b>		\$	<u>132,000</u>
 <b>6202 Energy-natural gas</b>		\$	<u>45,000</u>
 <b>6321 Equip maint-repairs/services</b>			
	Furnaces/AC units		5,500
	Equipment		4,225
	Radio repairs		1,000
	Scan system for rwy/twy		8,785
	Other		5,000
	Total equipment maintenance-repairs/services	\$	<u>24,510</u>
 <b>6322 Equip maint-service contracts</b>			
	Copy machine contracts		1,000
	SCAN system contract		3,200
	Telephone		2,000
	Support services		135,000
	Other		1,200
	Total equipment maintenance-service contracts	\$	<u>142,400</u>

## Operations and Facilities Department Justifications

<b>6350 Equipment rental</b>	
Non-owned specialty equipment.	
Aerial 80' lift for apron lighting (UPS)	9,600
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	2,150
Total equipment rental	<u>\$ 14,500</u>
<b>6410 Landscaping</b>	<u>\$ 4,000</u>
<b>6480 Licenses, titles &amp; inspections</b>	
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	950
Fire extinguishing test	1,700
Total license, titles & inspections	<u>\$ 3,500</u>
<b>6510 Medical exams</b>	<u>\$ 1,700</u>
<b>6540 Membership dues</b>	
AAAE	450
Aircraft rescue & fire	125
Great lakes chapter AAAE	25
Water Environment Federation	150
Total membership dues	<u>\$ 750</u>
<b>6600 Other - Contractual costs not itemized in other accounts.</b>	<u>\$ 2,000</u>
<b>6670 Permits &amp; testing</b>	
Backflow preventors	500
UPS sanitary lift station certification	500
Total permits & testing	<u>\$ 1,000</u>
<b>6751 Telephone-cellular</b>	<u>\$ 15,600</u>
<b>6752 Telephone-local</b>	<u>\$ 15,000</u>
<b>6753 Telephone-long distance</b>	<u>\$ 765</u>
<b>6800 Travel &amp; transportation</b>	
Airport security coordinator	250
Security system training (travel, lodge, meals)	500
Other conferences (3ee)	3,000
Total travel & transportation	<u>\$ 3,750</u>
<b>6850 Utilities</b>	
Water (8 meters)	2,500
Sewer (5 meters)	1,850
Total utilities	<u>\$ 4,350</u>

## Operations and Facilities Department Justifications

<b>6900 Vehicle maintenance</b>	
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	<u>\$ 6,200</u>
<b>6950 Waste removal</b>	
Biohazard	660
Debris and extra dumpster pick-ups	3,500
Environmental	2,500
Used parts/oil/fuel filters	1,000
Other	500
Total waste removal	<u>\$ 8,160</u>
COMMODITIES	
<b>7100 Building repair</b>	
Materials used in connection with the maintenance of all Authority owned buildings not covered by tenant leases.	<u>\$ 17,000</u>
<b>7140 Conferences &amp; meetings</b>	
Water rental and delivery	1,300
Meals for snow removal crews	1,900
Miscellaneous	500
Total conferences & meetings	<u>\$ 3,700</u>
<b>7200 Equipment</b>	
Computer equipment	750
Other (hand tools/rakes/shovels/small power tools)	2,500
Furniture	1,500
Tools - hand	3,500
Tools - appliances (valves, nozzles)	2,500
Hose	5,000
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	<u>\$ 20,500</u>
<b>7240 Fence/gate - perimeter fence and gate supplies</b>	<u>\$ 2,600</u>
<b>7271 Fuel-diesel - 22,500g @ 1.88/g</b>	<u>\$ 42,300</u>
<b>7272 Fuel-unleaded - 15,000g @ 2.15/g</b>	<u>\$ 32,250</u>
<b>7273 Fuel-other</b>	<u>\$ 500</u>
<b>7300 Landscaping</b>	
Supplies associated with turf maintenance of all Authority grounds not covered in tenant lease.	<u>\$ 4,000</u>
<b>7380 Other - Costs of commodities not itemized in other accounts.</b>	<u>\$ 1,500</u>

## Operations and Facilities Department Justifications

<b>7400 Pavement marking</b>	17,000
High visibility marking paint	5,000
Glass sphere beads	3,000
Other	<u>25,000</u>
Total pavement marking	<u>\$ 25,000</u>
<b>7440 Pavement repair</b>	
Includes joint sealer, primers, asphalt, stone, backing rod, rubber seals and other materials directly associated with pavement repair.	<u>\$ 7,000</u>
<b>7500 Raw materials</b>	
Sand	1,700
Gravel	500
Total raw materials	<u>\$ 2,200</u>
<b>7501 Raw materials-deicing only</b>	
Potassium acetate	130,000
Road salt	9,120
Urea	75,360
Sidewalk ice melt	5,520
Total raw materials-deicing only	<u>\$ 220,000</u>
<b>7540 Signage</b>	
Repair & replacement of signage for buildings, infield roadways and airfield directional inserts.	<u>\$ 12,500</u>
<b>7580 Software</b>	
Includes upgrades to maintenance related software.	
Total software	<u>\$ 15,000</u>
<b>7600 Subscriptions</b>	
Email subscription \$50/group/monthly	600
Rockford Register Star	200
Other	200
West group	75
Total subscriptions	<u>\$ 1,075</u>
<b>7660 Supplies-janitorial</b>	
Roll towels	2,000
Toilet paper	1,680
Hand towels	600
Cleaners	3,000
Strippers/waxes	450
Mop heads/brushes/brooms/bags/etc	2,040
Total supplies-janitorial	<u>\$ 9,770</u>
<b>7690 Supplies-lighting/electrical (airside)</b>	
Repair and replacement of existing runway, taxiway, and apron lighting systems.	<u>\$ 95,000</u>
<b>7720 Supplies-snow removal wafers/poly-steel blades</b>	
Snow removal supplies were recorded as equipment and have been reclassified as supplies because of the disposable nature of the supplies.	<u>\$ 38,500</u>
<b>7750 Supplies-office - badges etc.</b>	<u>\$ 1,750</u>
<b>7780 Supplies-other</b>	
Other supplies not itemized in other accounts	<u>\$ 2,500</u>
<b>7782 Supplies-hardware (expendable supplies)</b>	<u>\$ 7,000</u>



## Operations and Facilities Department Justifications

<b>7810 Supplies-specialty</b>	ARFF fire suppressant chemical	<u>\$ 10,000</u>
<b>7830 Supplies-steel stock</b>		<u>\$ 2,500</u>
<b>7850 Supplies-storm sewer/drain</b>	Drain tile, culverts, flares, storm drain covers, plates and other replacement items and emergency repair of airport infrastructure.	<u>\$ 2,000</u>
<b>7880 Supplies-welding</b>		<u>\$ 1,800</u>
<b>7901 Maintenance-licensed vehicles</b>	Supplies for approximately 15 vehicles.	<u>\$ 12,350</u>
<b>7902 Maintenance-equipment</b>	Supplies for repair of Authority equipment.	<u>\$ 75,000</u>
OTHER		
<b>8400 Glycol retention treatment facility</b>		
	Electric	70,000
	Testing	7,500
	Equipment service and repairs	1,000
	Chemicals	15,000
	Wireless monitoring fees	1,200
	Consulting/Engineering/Environmental	20,000
	Supplies	1,000
	Equipment (non-capital)	2,000
	Total glycol retention treatment facility	<u>\$ 117,700</u>
<b>8410 Landfill and environmental costs - legal and engineering costs</b>		<u>\$ 65,000</u>
<b>8415 Property taxes</b>	Property taxes paid for Authority owned properties including land and improvements.	<u>\$ 80,000</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 Air Service Development department is also responsible for all marketing, communications and public relations of RFD

### FYE08 Goals and Objectives

To continue to enhance and grow air service at RFD and to effectively market RFD to the region.

- Develop a marketing campaign to promote air service at RFD including destinations, airlines and the hassle free customer experience.
- Place advertisements and promotions in the regional community that effectively produce results.
- Perform regular analysis of RFD activity and airline performance.
- Maintain a high quality website that is informative and easy to use for the general public.
- Enhance and grow the “Milesahead” and “Consider Rockford First” programs to increase members of loyalty rewards programs from currently 31,000 to 50,000 by years end.
- Network with the travel agency community for the support of air service.

## Air Service Marketing Department Budget

CODE/LINE ITEM, Department 07	ACTUAL FYE03	ACTUAL FYE04	ACTUAL FYE05	ACTUAL FYE06	BUDGET FYE07	ESTIMATE FYE07	BUDGET FYE 08
<b>PERSONNEL SERVICES</b>							
5400 Insurance	\$ 7,017	\$ 10,479	\$ 12,030	\$ 26,747	\$ 31,229	\$ 29,086	\$ 30,384
5500 Payroll taxes	3,503	7,346	6,765	11,356	15,493	12,425	13,660
5560 Pension contribution	2,743	9,309	9,366	9,840	11,104	9,991	8,763
5600 Salaries/wages	48,754	98,073	95,775	158,620	168,503	163,049	142,940
5750 Training	875	763	-	-	1,350	-	1,500
5800 Workers compensation insurance	-	-	1,255	1,044	1,503	1,007	1,145
<b>TOTAL PERSONNEL SERVICES</b>	<b>62,892</b>	<b>125,970</b>	<b>125,192</b>	<b>207,607</b>	<b>229,182</b>	<b>215,558</b>	<b>198,392</b>
<b>CONTRACTUAL SERVICES</b>							
6020 Advertising	-	31,172	-	-	-	-	-
6021 Ad-Television	-	-	51,969	161,287	100,000	122,857	109,500
6022 Ad-Radio	-	-	252,992	184,028	90,000	82,510	43,000
6023 Ad-Billboards	-	-	66,147	65,965	140,000	114,089	73,000
6024 Ad-Direct	-	-	8,400	11,990	15,000	4,620	6,500
6025 Ad-Promotions	-	-	51,308	10,534	5,000	6,505	16,000
6026 Ad-Print	-	-	94,508	328,689	140,000	101,730	86,000
6120 Charter program	-	45,680	-	-	-	-	-
6121 MilesAhead program	-	511,066	111,073	460,691	60,000	58,303	60,000
6140 Conferences & meetings	725	6,025	11,951	7,670	16,200	9,654	14,500
6145 Air service start up	-	-	22,777	21,845	-	-	-
6150 Revenue guarantee	-	-	2,000,000	1,742,000	1,750,000	750,000	-
6160 Consulting services	-	2,200	46,197	155,998	55,500	31,269	60,000
6510 Medical exams	22	-	29	40	-	207	-
6540 Membership dues	180	430	230	245	810	300	760
6600 Other	-	519	1,073	915	1,000	247	1,000
6700 Postage	-	3,291	2,065	36	400	453	400
6730 Printing	-	4,567	19,174	18,630	36,575	45,332	35,000
6750 Telephone	-	-	-	-	-	-	-
6751 Telephone-cellular	579	1,055	1,417	1,621	1,500	1,107	1,000
6752 Telephone-local	586	1,903	2,816	1,068	1,700	968	1,700
6753 Telephone-long distance	447	864	39	-	200	-	200
6800 Travel & transportation	5,457	10,157	13,465	14,150	15,340	8,254	11,840
<b>TOTAL CONTRACTUAL SERVICES</b>	<b>7,996</b>	<b>618,929</b>	<b>2,757,628</b>	<b>3,187,401</b>	<b>2,429,225</b>	<b>1,338,407</b>	<b>520,400</b>
<b>COMMODITIES</b>							
7140 Conferences & meetings	412	755	380	5,184	15,500	8,266	11,500
7200 Equipment	3,219	708	276	1,168	2,500	-	1,750
7380 Other	36	189	2,266	300	1,000	39	1,000
7600 Subscriptions	27	1,100	217	614	720	47	720
7750 Supplies-office	1,473	-	-	185	750	612	750
7796 Supplies-promotional	-	29,533	17,725	16,948	34,000	13,139	39,000
<b>TOTAL COMMODITIES</b>	<b>5,167</b>	<b>32,285</b>	<b>20,863</b>	<b>24,399</b>	<b>54,470</b>	<b>22,103</b>	<b>54,720</b>
<b>DEPARTMENT TOTAL</b>	<b>\$ 76,055</b>	<b>\$ 777,185</b>	<b>\$ 2,903,683</b>	<b>\$ 3,419,407</b>	<b>\$ 2,712,877</b>	<b>\$ 1,576,068</b>	<b>\$ 773,512</b>

## 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 = \$5,188

Employee + Spouse = \$9,919

Employee + Children = \$9,082

Family = \$13,813

##### *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	27,626
Dental	1,651
Life	1,107
Total employee insurance	\$ 30,384

#### 5500 Payroll Taxes

FICA - 6.2% of base wage up to \$97,500

Medicare - 1.45% of base wage

State unemployment - 7.9% of the first \$11,500

Total payroll taxes

FICA - 6.2% of base wage up to \$97,500	8,862
Medicare - 1.45% of base wage	2,073
State unemployment - 7.9% of the first \$11,500	2,726
Total payroll taxes	\$ 13,660

#### 5560 Pension contribution

IMRF pension fund - 6.89%

IMRF pension fund - 6.89%	\$ 8,763
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#### 5600 Salaries

Includes 2 full time employees and 2 seasonal interns.

Includes 2 full time employees and 2 seasonal interns.	\$ 142,940
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#### 5750 Training

Website-Database maintenance/design.

Website-Database maintenance/design.	\$ 1,500
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#### 5800 Workers compensation insurance

Workers compensation insurance	\$ 1,145
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### CONTRACTUAL SERVICES

#### Advertising

Advertising associated with airline, charter and/or cargo service and FTZ promotion.

6021	Television	109,500
6022	Radio	43,000
6023	Billboards	73,000
6024	Direct	6,500
6025	Promotions/Sponsorships	16,000
6026	Print	86,000
	Total advertising	\$ 334,000

6121	MilesAhead program	\$ 60,000
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## Air Service Development Budget Justifications

<b>6140 Conferences &amp; meetings</b>	1,200
Routes-The World Route Development Forum	1,200
Lunch meetings, corporate (5 @ \$20/person/mo)	6,000
International air cargo conference trade booth	1,000
Lunch meetings with visiting airlines & leaders	3,600
Travel agent educational receptions (4 @ \$900)	1,500
Other	<u>14,500</u>
Total conferences & meetings	<u>\$ 14,500</u>
<b>6145 Air service start up</b>	<u>\$ -</u>
<b>6150 Revenue guarantee</b>	<u>\$ -</u>
<b>6160 Consulting services</b>	30,000
Ad design & ad production	9,725
Airline presentation statistical data	9,000
Website update & production	10,075
Email blasting	1,200
Photography services	<u>60,000</u>
Total consulting services	<u>\$ 60,000</u>
<b>6540 Membership dues</b>	125
Corporate Travel Association (CTA)	135
International Air Cargo Assoc. of Chicago (IACAC)	500
Other	<u>760</u>
Total membership dues	<u>\$ 760</u>
<b>6600 Other - Contractual services not itemized in other accounts.</b>	<u>\$ 1,000</u>
<b>6700 Postage</b>	400
Mailings, travel agents & charter (1,000 x\$.40)	<u>\$ 400</u>
<b>6730 Printing</b>	17,150
Brochures, cards, pads & reprints	3,000
Presentations	3,375
Banners	1,950
Invitations/cards	6,000
Book	3,525
Other	<u>35,000</u>
Total printing	<u>\$ 35,000</u>
<b>6751 Telephone-cellular</b>	<u>\$ 1,000</u>
<b>6752 Telephone-local</b>	0
Remote internet connection	1,700
Total telephone-local	<u>\$ 1,700</u>
<b>6753 Telephone-long distance</b>	<u>\$ 200</u>

## Air Service Development Budget Justifications

<b>6800 Travel &amp; transportation</b>	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
	Routes-The World Route Development Forum	2,160
	Other	3,500
	Mileage (2,500 @ \$.48/mi)	1,200
	Total travel & transportation	<u>\$ 11,840</u>
 COMMODITIES		
<b>7140 Conferences &amp; meetings</b>		
	In-house luncheon meetings	1,500
	Special events(not including Airfest)	10,000
	Total conferences & meetings	<u>\$ 11,500</u>
<b>7200 Equipment</b>		<u>\$ 1,750</u>
<b>7380 Other - Commodities not itemized in other accounts.</b>		<u>\$ 1,000</u>
<b>7600 Subscriptions</b>		
	Email hosting service \$30/month for 2	<u>\$ 720</u>
<b>7750 Supplies-office</b>		
	Shipping via UPS	<u>\$ 750</u>
<b>7796 Supplies-promotional</b>		
	Promotional items endorsing airport awareness and customer service lounge.	
	Shirts, hats, pens, coasters, lanyards, coloring books, etc	35,000
	Tenant gifts	4,000
	Total supplies-promotional	<u>\$ 39,000</u>

## Terminal Services Department Summary

The Terminal Services Department was newly created this year. As passenger traffic has grown the need to separately identify the growing costs related to operation of the passenger experience is required. In 2002 there were virtually no passengers now it is estimated that approximately 200,000 will utilize the terminal in the next year. This not only increases the maintenance costs but also the personnel cost associated with an exceptional traveling experience.

### FYE08 Goals and Objectives

To provide for exceptional customer service in a hassle free, high value environment.

- Maintain a high level of customer service and care.
- Conduct and analyze periodic passenger surveys
- Provide information and community outreach through various forms.
- Staff airport information booths and other areas of the terminal daily.
- Maintain and enhance customer service and community outreach by hosting meetings and events.
- Track and respond to customer comments and questions with in 48 hours of receipt.
- Maintain and improve tenant relations by monthly meeting with all terminal tenants.

## Terminal Services Department Budget

CODE/LINE ITEM, Department 08	BUDGET FYE08
<b>PERSONNEL SERVICES</b>	
5400 Insurance	\$ 33,224
5450 Overtime	5,333
5451 Double time	2,222
5500 Payroll taxes	14,932
5560 Pension contribution	10,176
5600 Salaries/wages	140,134
5750 Training	1,000
5800 Workers compensation insurance	9,626
5900 Uniforms	858
5901 Uniforms-lost,damaged,replaced	150
5903 Uniforms-other	1,050
TOTAL PERSONNEL SERVICES	218,704
<b>CONTRACTUAL SERVICES</b>	
6100 Building repair	2,000
6140 Conferences & meetings	6,800
6200 Energy	-
6201 Energy-electric	150,000
6202 Energy-natural gas	20,000
6320 Equipment maintenance	-
6321 Equip maint-repairs/services	8,450
6322 Equip maint-service contracts	26,100
6350 Equipment rental	3,000
6410 Landscaping	9,240
6510 Medical exams	500
6540 Membership dues	1,000
6600 Other	9,000
6700 Postage	500
6750 Telephone	-
6751 Telephone-cellular	4,400
6752 Telephone-local	6,700
6753 Telephone-long distance	500
6800 Travel & transportation	-
6850 Utilities	3,700
6900 Vehicle maintenance	-
6950 Waste removal	5,400
TOTAL CONTRACTUAL SERVICES	257,290
<b>COMMODITIES</b>	
7100 Building repair	28,700
7140 Conferences & meetings	7,460
7200 Equipment	11,500
7300 Landscaping	3,000
7380 Other	2,000
7540 Signage	10,000
7580 Software	4,625
7600 Subscriptions	300
7660 Supplies-janitorial	18,550
7750 Supplies-office	1,500
7780 Supplies-other	9,800
7782 Supplies-hardware	-
7784 Supplies-other (parking)	-
7902 Maint-equipment	-
TOTAL COMMODITIES	97,435
DEPARTMENT TOTAL	\$ 573,429



## Terminal Services 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 = \$5,188

Employee + Spouse = \$9,919

Employee + Children = \$9,082

Family = \$13,813

*Dental insurance*

Monthly administration fee of \$5.20 per employee and the monthly est cost. 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.

Employees:

Health	30,215
Dental	1,791
Life	1,218
Total employee insurance	\$ 33,224

**5450 Overtime**

Estimated 240 hours of overtime for hourly employees.	\$ 5,333
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**5451 Double time**

Estimated 75 hours of overtime for hourly employees.	\$ 2,222
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**5500 Payroll taxes**

FICA - 6.2% of base wage up to \$97,500	9,157
Medicare - 1.45% of base wage	2,141
State unemployment - 7.9% of the first \$11,500	3,634
Total payroll taxes	\$ 14,932

**5560 Pension contribution**

IMRF pension fund - 6.89%	\$ 10,176
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**5600 Salaries**

4 full time employees.	140,134
Total salaries	\$ 140,134

**5750 Training**

	\$ 1,000
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**5800 Workers compensation insurance**

	\$ 9,626
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**5900 Uniforms**

3ee @ \$5.5/week	\$ 858
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**5901 Uniforms - lost/damage/replacement**

	\$ 150
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**5903 Uniforms - other**

Protective clothing allowance	\$ 1,050
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## Terminal Services Budget Justifications

### CONTRACTUAL SERVICES

<b>6100 Building repair</b>			
Structural repair of administration building.		\$	2,000
<b>6140 Conferences &amp; meetings</b>			
Dedications			300
Terminal celebrations			3,000
Other			3,500
Total conferences & meetings		\$	6,800
<b>6201 Energy-electric - terminal</b>		\$	150,000
<b>6202 Energy-natural gas - terminal</b>		\$	20,000
<b>6321 Equip maint-repairs/services</b>			
HVAC			3,500
Door repair			2,500
Other			2,450
Total equipment maintenance - repairs/service		\$	8,450
<b>6322 Equip maint-service contracts</b>			
Elevator service			5,100
Window washing			3,500
Common use system maintenance contract			16,000
Other			1,500
Total equipment maintenance-service contracts		\$	26,100
<b>6350 Equipment rental</b>			
High lift			1,500
Other			1,500
Total equipment rental		\$	3,000
<b>6410 Landscaping</b>		\$	9,240
<b>6510 Medical exams</b>		\$	500
<b>6540 Membership dues</b>			
Terminal group		\$	1,000
<b>6600 Other - Contractual services not itemized in other accounts.</b>		\$	9,000
<b>6700 Postage</b>		\$	500
<b>6751 Telephone-cellular</b>		\$	4,400
<b>6752 Telephone-local</b>			
Local carrier			1,500
Internet connection (T1 connection)			5,200
Total telephone - local		\$	6,700
<b>6753 Telephone-long distance</b>		\$	500
<b>6850 Utilities</b>			
Water			1,850
Sewer			1,850
Total utilities		\$	3,700
<b>6950 Waste removal</b>			
Debris and extra dumpster pick-ups			3,900
Other - line cleaning			1,500
Total waste removal		\$	5,400

## Terminal Services Budget Justifications

### COMMODITIES

<b>7100 Building repair</b>		<u>\$ 28,700</u>
Materials used in connection with the maintenance of terminal building areas not covered by tenant leases.		
 <b>7140 Conferences &amp; meetings</b>		
Water rental and delivery		910
Food for terminal events		6,000
Miscellaneous		550
Total conferences & meetings		<u>\$ 7,460</u>
 <b>7200 Equipment</b>		
Furniture		3,000
Computer		3,500
Hand tools, snow shovels, etc		1,500
Wheelchairs (regular/aisle)		2,500
Other		1,000
Total equipment		<u>\$ 11,500</u>
 <b>7300 Landscaping</b>		
Supplies associated with turf maintenance of terminal area.		<u>\$ 3,000</u>
 <b>7380 Other - Costs of commodities not itemized in other accounts.</b>		<u>\$ 2,000</u>
 <b>7540 Signage</b>		
Repair & replacement of signage for terminal area.		<u>\$ 10,000</u>
 <b>7580 Software</b>		
FIDS software		4,625
Total software		<u>\$ 4,625</u>
 <b>7600 Subscriptions</b>		
Airport related magazines		150
Passenger magazine rack		150
Total subscriptions		<u>\$ 300</u>
 <b>7660 Supplies-janitorial</b>		
Roll towels		2,800
Toilet paper		3,920
Hand towels		1,400
Cleaners		7,000
Strippers/waxes		1,050
Mop heads/brushes/brooms/bags/etc		2,380
Total supplies-janitorial		<u>\$ 18,550</u>
 <b>7750 Supplies-office</b>		<u>\$ 1,500</u>
 <b>7780 Supplies-other</b>		
Other supplies not itemized in other accounts and to include Terminal seasonal decorations.		<u>\$ 9,800</u>

## **AirFest Department Summary**

The AirFest Department was created this year. The Board made a decision to continue the AirFest event into the future therefore it was necessary to separately identify the related costs of the event. The budget for AirFest is based on a three day event with an estimated 90,000 attendance and a headliner such as the Navy Blue Angels performing.

### FYE08 Goals and Objectives

Provide a high quality, high value event for the regional community and a marketing opportunity to promote RFD.

- Produce a show that results in a breakeven or better financial position.
- Have all fixed costs paid prior to gate opening by increasing sponsorships by 40%.
- Produce an event that is a top rated in the region
- Enhance every opportunity to market RFD as whole
- Create emergency plan for inclement weather

## AirFest Department Budget

CODE/LINE ITEM, Department 08	BUDGET FYE08
PERSONNEL SERVICES	
5400 Insurance	\$ 15,053
5450 Overtime	-
5451 Double time	-
5500 Payroll taxes	4,558
5560 Pension contribution	3,287
5600 Salaries/wages	47,700
5750 Training	-
5800 Workers compensation insurance	429
5900 Uniforms	-
5901 Uniforms-lost,damaged,replaced	-
5903 Uniforms-other	-
TOTAL PERSONNEL SERVICES	71,026
CONTRACTUAL SERVICES	
6020 Advertising	
6021 Ad-Television	6,326
6022 Ad-Radio	6,000
6023 Ad-Billboards	4,600
6024 Ad-Direct	-
6025 Ad-Promotions	-
6026 Ad-Print	18,074
6140 Conferences & meetings	56,150
6165 Airshow contractual - performers and host	219,200
6320 Equipment maintenance	-
6321 Equip maint-repairs/services	-
6322 Equip maint-service contracts	-
6350 Equipment rental	62,000
6400 Insurance	14,685
6540 Membership dues	-
6480 Licenses, titles & inspections	185
6600 Other	-
6700 Postage	-
6730 Printing	19,950
6800 Travel & transportation	56,500
6950 Waste removal	-
TOTAL CONTRACTUAL SERVICES	463,670
COMMODITIES	
7200 Equipment	-
7300 Landscaping	-
7380 Other	-
7540 Signage	8,000
7780 Supplies-other	62,950
7796 Supplies-promotional - Airshow	12,000
7902 Maint-equipment	-
TOTAL COMMODITIES	82,950
DEPARTMENT TOTAL	\$ 617,646

## AirFest 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 = \$5,188

Employee + Spouse = \$9,919

Employee + Children = \$9,082

Family = \$13,813

Medicare Supp. D = \$2,373

##### 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	13,813
Dental	826
Life	414
Total employee insurance	\$ 15,053

#### 5500 Payroll taxes

FICA - 6.2% of base wage up to \$97,500	2,957
Medicare - 1.45% of base wage	692
State unemployment - 7.9% of the first \$11,500	909
Total payroll taxes	\$ 4,558

#### 5560 Pension contribution

IMRF pension fund - 6.89%	\$ 3,287
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#### 5600 Salaries

1 full time employee	47,700
Total salaries	\$ 47,700

#### 5800 Workers compensation insurance

	\$ 429
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### CONTRACTUAL SERVICES

#### Advertising

6021 Television	6,326
6022 Radio	6,000
6023 Billboards	4,600
6024 Direct	0
6025 Promotions	0
6026 Print	18,074
Total advertising	\$ 35,000

#### 6140 Conferences & meetings

Airshow events	56,150
Total conferences & meetings	\$ 56,150

#### 6165 Airshow contractual - performers and host

	\$ 219,200
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#### 6350 Equipment rental

Airshow	61,800
Other	200
Total equipment rental	\$ 62,000

#### 6400 Insurance

Airshow	14,685
Total insurance	\$ 14,685

## AirFest Budget Justifications

<b>6480 Licenses, titles &amp; inspections</b>	
Liquor licences and event permits for AirFest	\$ <u>185</u>
<b>6730 Printing</b>	
Airshow	17,950
Miscellaneous	<u>2,000</u>
Total printing	<u>\$ 19,950</u>
<b>6800 Travel &amp; transportation (airfare/hotel/per diem)</b>	
Airshow - performers - hotels and autos	56,500
Total travel & transportation	<u>\$ 56,500</u>
COMMODITIES	
<b>7540 Signage - Airshow</b>	<u>\$ 8,000</u>
<b>7780 Supplies - other - Airshow</b>	<u>\$ 62,950</u>
<b>7796 Supplies - promotional - Airshow</b>	<u>\$ 12,000</u>

### Non-Operating Revenues and Expenses Budget

CODE/LINE ITEM	ACTUAL FYE02	ACTUAL FYE03	ACTUAL FYE04	ACTUAL FYE05	ACTUAL FYE06	BUDGET FYE07	ESTIMATE FYE07	BUDGET FYE08
<b>NON-OPERATING REVENUE</b>								
9000 Annexation agreement	\$ 130,417	\$ 130,214	\$ 127,975	\$ 125,239	\$ 135,547	\$ 130,000	\$ 127,373	\$ 130,000
9100 Interest income	200,728	123,094	93,680	179,239	334,787	100,000	495,846	330,828
9200 Taxes-property (operating levy)	2,304,120	2,379,440	2,447,314	2,549,793	2,656,717	2,959,154	2,804,116	2,959,154
9205 Property tax interest (operating levy)	1,428	1,700	881	841	3,270	1,000	5,585	1,000
9210 Taxes-property (debt service levy)	5,598,610	5,683,178	6,011,038	6,259,881	6,464,965	5,506,150	5,499,185	-
9215 Property tax interest (debt service levy)	3,469	4,061	2,164	2,064	7,958	2,000	10,953	-
9250 Taxes-corporate replacement	335,141	319,193	354,539	404,089	521,408	400,000	531,617	400,000
9285 Air service campaign	-	-	261,066	475,727	-	-	-	-
TOTAL REVENUE	8,573,912	8,640,880	9,298,658	9,996,873	10,124,652	9,098,304	9,474,675	3,820,982
<b>NON-OPERATING EXPENSES</b>								
9500 Interest expense	1,744,834	1,241,663	857,213	517,094	317,867	176,118	121,252	19,968
9720 Bad debt expense			2,920	14,270	53,607	-	-	-
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	510,299	176,118	121,252	19,968
NET TOTAL	\$ 6,829,078	\$ 7,399,217	\$ 7,957,927	\$ 9,456,362	\$ 9,614,353	\$ 8,922,186	\$ 9,353,422	\$ 3,801,014
<b>OTHER CAPITAL CONTRIBUTIONS</b>								
9270 Passenger facility charges	4,374	6,190	74,080	58,549	192,865	296,640	268,332	400,180
AIP Funds Reimbursement				471,319	1,063,248	3,620,747	2,471,319	2,000,000
9260 Funds from auctioned equipment	7,356	47,787	9,351	573	7,979	10,000	-	5,000
TOTAL CONTRIBUTIONS	\$ 11,730	\$ 53,977	\$ 83,431	\$ 530,441	\$ 1,264,092	\$ 3,927,387	\$ 2,739,651	\$ 2,405,180



## 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.

\$ 330,828

#### 9200 Taxes-property (operating levy)

FYE07 Tax Levy Ordinance #06-04 (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.

\$ -

#### 9215 Property tax interest (debt service levy)

Interest received on the debt tax levy.

\$ -

#### 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

-

Revenue bond

19,968

Total interest expense

\$ 19,968

### OTHER CAPITAL CONTRIBUTIONS

#### 9270 Passenger facility charges

Projected FY2006 passenger enplanements

93,500

Passenger facility charge (\$4.5 less expenses)

\$ 4.28

\$ 400,180

#### 9260 Funds from auctioned equipment

\$ 5,000

## Capital Improvement Program Summary

The Capital Improvement Program (CIP) is a 5 to 10 year program that provides for critical improvements and asset preservation. The program includes projects that address federal security requirements, airfield safety, enhanced revenue potential, rolling equipment replacement, asset preservation and completion of the newly updated Master Plan.

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

Projected FYE2008 CIP capital expenditures are as follows and detail of individual items to follow.

Airside Projects	\$1,339,180
Landside Projects	\$42,965
Terminal Projects	\$681,670
Administrative Projects	<u>\$123,000</u>
	<b><u>\$2,186,815</u></b>

### Airside Projects

Airside projects include all improvements that include runways, taxiways aprons, building inside the airfield fence.

Airfield Signage – This project will update signage on both runways. This is an FAA requirement. It is unsure at this time if it will be necessary to update all runway signage at once. Staff is working with the FAA to get a definitive response. This project will be included until that time.

<b>Project</b>	
Airfield Signage	\$250,000
Operating Impact	N/A

Colman Hangar Roof - Replacement is required the existing dated and worn roof which has many leaks. Money has been set aside in a reserve trust fund for this replacement.

<b>Project</b>	
Coleman Hangar Roof	\$100,000
Operating Impact	
Negotiated as part of the long term lease of the building.	

Operations Center Remodel – The Operations Center monitors and evaluates airfield safety and maintenance. A remodel to the current operations center at the SRE building to allow for more efficient monitoring of all necessary safety and security areas and data.

<b>Project</b>	
Operations Center Remodel	\$10,000
Operating Impact	
Calculated in future landing fee	

Airside Buildings – Key buildings have been identified in areas of future development which will be available for sale in FYE2008. The intent is purchase these airside buildings available for sale that are strategically located for the benefit of RFD.

<b>Project</b>	
Airside Buildings	\$300,000
Operating Impact	N/A

Sterilizer (International Rubbish) – The sterilizer will allow international landings to dispose of international rubbish in an economical manner and meet all USDA and EPA requirements.

<b>Project</b>	
Sterilizer	\$250,000
Operating Impact	
Will be incorporated into future international fees	

Taxiway Improvements - Rehabilitate Taxiway "F" & Taxiway Bravo-North Ph2a /Rehabilitate Taxiway Bravo-South and Taxiway "E" Ph1 as a result of the current pavement thickness rating as well as the age and use. This will strengthen and extend the life of the taxiways. This project will is AIP eligible and will be bid through the State of Illinois. This Authority's share is estimated at 7%.

<b>Project</b>	
Taxiway Improvements (Authority share only)	\$54,180
Total Project Cost	\$2,100,000
Operating Impact	N/A

West Cargo Apron - Construct, Light and Mark Northwest Quadrant Air Cargo Apron including Grading and Drainage - Ph4. To be used for future cargo development. This project will is AIP eligible and will be bid through the State of Illinois. This Authority's share is estimated at 2.5%.

<b>Project</b>	
West Cargo Apron (Authority share only)	\$212,500
Total Project Cost	\$8,500,000
Operating Impact	N/A

West Cargo Entrance Road and Parking - Construct Northwest Quadrant Entrance Road and Auto Parking Lot including Grading and Drainage – Ph. For future cargo development. This project will is eligible for State participation and will be bid through the State of Illinois. This Authority's share is estimated at 20%.

<b>Project</b>	
West Cargo Entrance Road and Parking (Authority share only)	\$100,000
Total Project Cost	\$500,000
Operating Impact	N/A

Stormwater Drainage Expansion - Terminal Area Apron Rehabilitation and Contaminated Storm Water (Deicing) Management Facilities to support additional deicing pads. This project will is AIP eligible and will be bid through the State of Illinois. This Authority's share is estimated at 2.5%.

<b>Project</b>	
Stormwater Drainage (Authority share only)	\$62,500
Total Project Cost	\$2,500,000
Operating Impact	N/A

**Terminal Projects**

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

Flight Information Display Screens – The purchase of two FIDS screens. This will replace the current 30 inch screen with 40 inch to improve view ability and add one to new gate.

<b>Project</b>	
FID Screens	\$16,000
Operating Impact	
Will be incorporated into future terminal usage fees	

Terminal and Road Signage - Replace Airport Rd sign with digital sign with proper name and replacement of Kishwaukee Rd and Kishwaukee St signage and directional signage in expressways of terminal.

<b>Project</b>	
Terminal and Road Signage	\$180,000
Operating Impact	N/A

Terminal Outbound baggage - Modifications to increase efficiency in outbound baggage to support peak flow hours.

<b>Project</b>	
Outbound Baggage	\$50,000
Operating Impact	
Will be incorporated into future terminal usage fees	

Terminal Roof – Replacement of terminal roof due to age of current roof and the numerous leaks.

<b>Project</b>	
Terminal Roof	\$100,000
Operating Impact	
Will be incorporated into future terminal usage fees	

Terminal Jet Bridge #4 Refurbish – Jet Bridge #4 is 20 years old and required updating of areas including panel repairs, painting, heating used and other minor updates.

<b>Project</b>	
Jet Bridge # 4 Refurbish	\$90,000
Operating Impact	
Will be incorporated into future terminal usage fees	

Terminal Sliding Door Replacement - Replace all automatic doors at terminal as equipment has continual failures and parts are now becoming obsolete on door units.

<b>Project</b>	
Terminal Sliding Door Replacement	\$50,000
Operating Impact	
Will be incorporated into future terminal usage fees	

Common Use CUTE printers - Replacement of 12 common use printers that are experiencing technical problems and in need of upgrade. Current units are 3 years old and have constant use.

<b>Project</b>	
Common Use Printers	\$45,670
Operating Impact	
Will be incorporated into future terminal usage fees	

Terminal Facility Improvements – This includes the addition of a fourth jet bridge off the international arrival gate and expansion of the passenger seating area in the passenger hold area. This project will be AIP eligible and will be a reimbursement program through the State of Illinois. This Authority’s share is estimated at 5%.

<b>Project</b>	
Jet Bridge and Passenger Hold Expansion (Authority share only)	\$150,000
Total Project Cost	\$3,000,000
Operating Impact	N/A

### **Landside Projects**

Any projects outside of the perimeter airfield fence that includes buildings and land.

RPI Building Demolition – The building is currently vacant and has a very limited need. Demolition of the building and preparing the site for future development will allow a quicker turn around in future leasing ability.

<b>Project</b>	
Building Demolition	\$22,965
Operating Impact	
Will be calculated in future leasing options of land.	

Glycol Pond Improvements – The addition of monitoring equipment on fluid gate and offsite monitoring equipment will allow for a more efficient production of the glycol ponds.

<b>Project</b>	
Monitoring Equipment	\$20,000
Operating Impact	
Will be calculated in future deicing pad fees.	

### **Administrative Projects**

All other projects not outline in the airside, landside or terminal projects and other items related to the administration and operation of the airport.

Van - 1 ton diesel dually with rear weather housing – This part of the fleet replacement program and will add an additional van with rear weather housing to be used in inclement weather to repair lighting and electrical issues on the airfield and other areas as necessary.

<b>Project</b>	
Van	\$30,000
Operating Impact	N/A

Administration Fiber Upgrade - Current copper is failing; the plan is to run fiber from the Administration building to the City road and back to the Terminal building. This is necessary to ensure continuous operation of RFD.

<b>Project</b>	
Fiber Upgrade	\$50,000
Operating Impact	N/A

Carpet Extractor - Commercial grade extractor to clean terminal area carpets. This is part of the replacement program for the old and inefficient unit.

<b>Project</b>	
Carpet Extractor	\$9,000
Operating Impact	N/A

Computer Equipment and Hardware for Network - Additional server to support work order system and operate as additional back-up for disaster planning. Will include new auto back-up devices to improve recovery efforts when necessary. Additional switches to improve system operating efficiencies.

<b>Project</b>	
Computer Equipment and Hardware	\$20,000
Operating Impact	N/A

Walk Behind Broom – Terminal and administration walkways for snow, leaves and debris. This will allow for more efficient clean up when necessary.

<b>Project</b>	
Walk Behind Broom	\$8,000
Operating Impact	N/A

8' Replacement "Boss" type snow plow - Replacement of 10 year old plow that is wearing out. Part of the replacement program.

<b>Project</b>	
8' Snow Plow	\$6,000
Operating Impact	N/A



**Exhibit 1**  
**Tentative Budget and Appropriation Ordinance**

**GREATER ROCKFORD AIRPORT AUTHORITY**

**RESOLUTION NO. 07-17**

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, 2007 and ending April 30, 2008;

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, 2007 and ending April 30, 2008 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, 2007 and ending April 30, 2008 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 12, 2007 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. 07-17**

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 Norman moved, seconded by Commissioner Gulley that Resolution Number 07-17 be adopted.

<u>Vote</u>	<u>Vote</u>		
Eugene H. Allen	<u>Absent</u>	Gwyn Gulley	<u>Aye</u> _____
Mary Norman	<u>Aye</u> _____	Bharat Puri	<u>Aye</u> _____
Brian Boyer	<u>Aye</u> _____	Peter Provenzano	<u>Absent</u> _____
Michael P. Dunn	<u>Aye</u> _____		

ADOPTED this 25<sup>th</sup> day of February, 2007 by the Chairman and the Board of Commissioners of the Greater Rockford Airport Authority, Winnebago County, Illinois.

\_\_\_\_\_  
(signed February 25, 2007)  
Michael P. Dunn, Chairman

ATTEST:

\_\_\_\_\_  
(signed February 25, 2007)  
Gwyn Gulley, Assistant 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**

<b>Class A</b>	
Permit	\$1,125.00
Flowage Fee	\$.06/gallon
<b>Class B</b>	
Permit	\$600.00
Flowage Fee	\$.08/gallon
<b>Class C</b>	
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
-------------------	--------

**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

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

**AD&D** - Accidental Death and Dismemberment

**AFR** - Annual Financial Report

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

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

**Airport** – Refers to the Chicago Rockford International Airport.

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

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

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

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

**ARFF** – Aircraft Rescue and Fire Fighting

**The Authority** – Refers to the Greater Rockford Airport Authority

**BOD** - Biochemical Oxygen Demand

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

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

**Capital Budget** - Budgeted expenditures for capital improvements, capital outlay, debt service and grant service that are in excess of \$2,000

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

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

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

**CPE** - Continuing Professional Education

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

**Deplaning Passenger** – An arriving passenger.

**Enplaning Passenger** – A departing Passenger.

**FAR** – Federal Aviation Regulations

**FAS** - Fixed Asset Schedules

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

**Federal Grants** – FAA’s Airport Improvement Program provides both entitlement and discretionary grants for eligible airport projects. Entitlement funds are determined by a formula according to enplanements at individual airports and landed cargo aircraft weight. The authority applies for discretionary grants from the FAA through a Letter of Intent (LOI) process. Each LOI represents an intention to obligate funds from future federal budget appropriations. The issuance of a Letter of Intent is subject to receipt of Congressional appropriations for grants to airports, and does not itself constitute a binding commitment of funds by the FAA.

**FIS** - Federal Inspection Service

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

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

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

**FOD** – Foreign Object Debris or trash on the airfield.

**FTZ** - Foreign Trade Zone

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

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

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

**GFOA** - Government Finance Officers Association

**GO** - General Obligation (Bonds)

**GRAA** - Greater Rockford Airport Authority

**ILS** - Instrument Landing System

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

**Infrastructure** - Airport runways, taxiways, aprons and utility systems.

**INS** - Immigration and Naturalization Service

**IPAA** - Illinois Public Airports Association

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

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

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

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

**M&I** - Meals and Incidentals

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

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

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

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

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

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

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

**PEBSCO** - Public Employees Benefit Services Corporation, optional 457 deferred compensation.

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

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

**SRE** - Snow Removal Equipment

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

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

**TSS** - Total Suspended Solids

**UPS** - United Parcel Service

## Exhibit 4 Statistics

<b>Airport Authority Area</b>	Located entirely within Winnebago County, Illinois, the Authority Area includes, Rockford, Machesney Park, Loves Park, Cherry Valley, Roscoe, New Milford and some unincorporated areas
<b>Airport Location</b>	Southwest quadrant of the City of Rockford 80 miles WNW of O'Hare International Airport
<b>Access</b>	Interstate 90 and 39 U.S. Highway 20 Illinois Route 2 and 251
<b>Runways</b>	Runway 1/19, 8,200' X 150', ILS Category I Runway 7/25, 10,000' x 1150', ILS Category II/III
<b>Scheduled Passenger Service</b>	Allegiant Airlines, United Airlines and Apple Vacations
<b>Car Rental Agencies</b>	Avis, Hertz and National/Alamo
<b>Service Area</b>	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

<b>Airport Authority Area Equalized Assessed Valuation</b>			% Change from Prior Yr
	2002	\$ 2,754,387,629	4.19%
	2003	\$ 2,911,791,494	5.71%
	2004	\$ 2,964,363,822	1.81%
	2005	\$ 3,155,960,782	6.46%
	2006	\$ 3,321,828,622	5.26%

<b>Bond Rating</b>	1999 A3
	2000 A2
	2001 A2
	2002 A2
	2003 A1

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



**Airport Operations**

	<u>CY2002</u>	<u>CY2003</u>	<u>CY2004</u>	<u>CY2005</u>	<u>CY2006</u>
Air Carrier	11457	11,705	12,622	13,683	14,090
Air Taxi	4083	3,782	3,089	3,737	4,908
GA Local	23982	25,986	19,262	12,708	16,035
GA Itinerant	41339	36,976	34,763	35,953	40,129
Military	<u>4464</u>	<u>4,175</u>	<u>2,770</u>	<u>2,966</u>	<u>3,792</u>
Total	85,325	82,624	72,506	69,047	78,954

**Passengers**

		% Change from Prior Yr
FYE03	2,874	-51.39%
FYE04	65,956	2194.92%
FYE05	106,918	62.11%
FYE06	165,690	54.97%
FYE07	196,632	18.67%

**Cargo Aircraft  
Landed Weight  
(lbs.)**

		% Change from Prior Yr
FYE03	1,242,390,680	-6.54%
FYE04	1,271,605,264	2.35%
FYE05	1,383,856,242	8.83%
FYE06	1,374,921,520	-0.65%
FYE07	1,419,558,172	3.25%

**Cargo Enplaned and  
Deplaned (lbs.)**

		% Change from Prior Yr
FYE03	353,024,216	-9.01%
FYE04	351,037,144	-0.56%
FYE05	400,839,242	14.19%
FYE06	419,450,338	4.64%
FYE07	452,478,992	7.87%

**Fuel Flowage (gallons)**

		% Change from Prior Yr
FYE03	15,952,468	-14.45%
FYE04	15,826,525	-0.79%
FYE05	20,690,853	30.74%
FYE06	20,592,954	-0.47%
FYE07	21,210,247	3.00%

**Exhibit 5**  
**Tentative Budget and Appropriation Ordinance**

**ORDINANCE NO. 07-01**

**FISCAL YEAR 2008 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, 2007  
AND ENDING April 30, 2008,"**

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 12, 2007 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 26th day of April 2007.

[SEAL]

\_\_\_\_\_  
(signed April 26, 2007)

Authority

Michael P. Dunn, Chairman  
Greater Rockford Airport

**ORDINANCE NO. 07-01**

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

**FOR THE FISCAL YEAR  
BEGINNING May 1, 2007 AND ENDING April 30, 2008**

**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, 2008, 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 23, 2007
Notice of Public Hearing Published on	March 1, 2007
Public Hearing held (at 5:25 p.m. Central Daylight Savings time, pursuant to Notice)	April 12, 2007

Section 2. Appropriations.

For the fiscal year ending April 30, 2008, there is hereby appropriated for the corporate purposes of the Greater Rockford Airport Authority the total sum of \$9,884,513, 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 27, 2007 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 Norman and seconded by Commissioner Gulley.

Roll Call

Aye Eugene H. Allen

Aye Mary Norman

Absent Brian Boyer

Aye Michael P. Dunn

Aye Gwyn Gulley

Absent Peter Provenzano

Aye Bharat Puri

Passed and approved by the Board of Commissioners of the Greater Rockford Airport Authority on April 26, 2007.

(signed April 26, 2007)

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

Authority

ATTEST:

(signed April 26, 2007)

Bharat Puri, Secretary  
Greater Rockford Airport Authority

**ORDINANCE NO. 07-01**

**2007-2008 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 26th day of April, 2007.

[SEAL]

\_\_\_\_\_  
(signed April 26, 2007)  
Eugene H. Allen  
Treasurer  
Greater Rockford Airport Authority

**ESTIMATED REVENUES BY SOURCE  
FISCAL YEAR 2008**

**EXPECTED CASH FLOW DURING THE YEAR:**

**SOURCES**

Operating Budget Revenue	\$ 5,537,779
Non-Operating Revenue	860,828
Tax Levy	2,960,154
AIP Fund Reimbursement	2,000,000
Passenger Facility Charges	400,180
Other Financing Sources	<u>5,000</u>
 Total Sources	 \$11,763,941
Beginning Fund Balance, FY07	<u>9,619,460</u>
 Total Sources and Fund Balance	 <u>\$21,383,401</u>

**USES**

Operating Expenditures	\$ 7,556,730
Non-Operating Expenditures	44,968
Debt Service	96,000
Capital Expenditures	<u>2,186,815</u>
 Total Uses	 \$ 9,884,513
Ending Fund Balance, FY08	<u>11,498,888</u>
 Total Uses and Ending Fund Balance	 <u>\$21,383,401</u>



**Greater Rockford Airport Authority**  
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