
Annual Budget & Appropriation Ordinance

GREATER ROCKFORD AIRPORT AUTHORITY
FOR THE FISCAL YEAR OF 2022

ROCKFORD, ILLINOIS



2022



Fiscal Year 2022
Annual Budget and Appropriations Ordinance

For the period of May 1, 2021 - April 30, 2022

Greater Rockford Airport Authority
Chicago Rockford International Airport
Rockford, Illinois

Board of Commissioners

Paul Cicero, Chairman

Tom Myers, Vice Chairman

Tom Dal Santo, Secretary

Pat Agnew, Treasurer

Tonya Lamia

Leslie West

Michael Schablaske

Michael P. Dunn, Executive Director

Michelle Cassaro, Deputy Director of Finance and Administration

Tracey Halbrader, Finance Manager

Our Mission

Create regional economic opportunities through global aviation.

Our Vision

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

Our Values

Integrity

Trustworthy, honest, and always do the right thing.

Respect

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

Dedicated

Loyal and committed to organizational goals.

Resourceful

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

Reliable

Available, dependable, and consistent.

Table of Contents

TRANSMITTAL LETTER

Budget Objectives	1
Overview and Economic Conditions	2
Budget Overview	5
Long-Range Financial Plan.....	5
History	6
Organization	7
Strategic Plan	8
Financial Policies	11
Budget Document	16
Budget Process	16
Distinguished Budget Presentation Award	17
Revenues	19
Expenditures	21
Debt Service	23
Capital Improvement Program.....	25
Net Assets	26
Designated Assets	27
Acknowledgement	28

BUDGET SUMMARY

Summary	30
---------------	----

REVENUE OPERATING

Summary	31
Budget	32

OPERATING EXPENSES

Summary	33
Combined Departmental Budgets.....	34
Finance and Administration Department	
Summary	36
Budget	37
Facilities and Maintenance Department	
Summary	38
Budget	39
Operations Department	
Summary	41
Budget	43
Marketing and Development Department	
Summary	44
Budget	46
Terminal Service Department	
Summary	47
Budget	48

NON-OPERATING REVENUES AND EXPENSES

Budget	49
--------------	----

CAPITAL IMPROVEMENT PROGRAM

Summary 50
CIP Operating Budget Cost Impact..... 52
Five-Year Capital Improvement Projects..... 53

EXHIBITS

Exhibit 1 Tentative Budget and Appropriation Ordinance..... 55
Exhibit 2 Rates & Charges Ordinance..... 57
Exhibit 3 Statistics 60
Exhibit 4 Fiscal Year 2021 Budget and Appropriation Ordinance 65
Exhibit 5 Acronyms and Glossary of Terms 70

All Page Numbers are Linked to the Page

September 30, 2021

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 22, 2021. The Authority operates the Chicago Rockford International Airport (RFD).

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

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

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

Budget Objectives

The Authority's goals for the FY2022 budget are to allocate resources to RFD programs and services to:

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

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

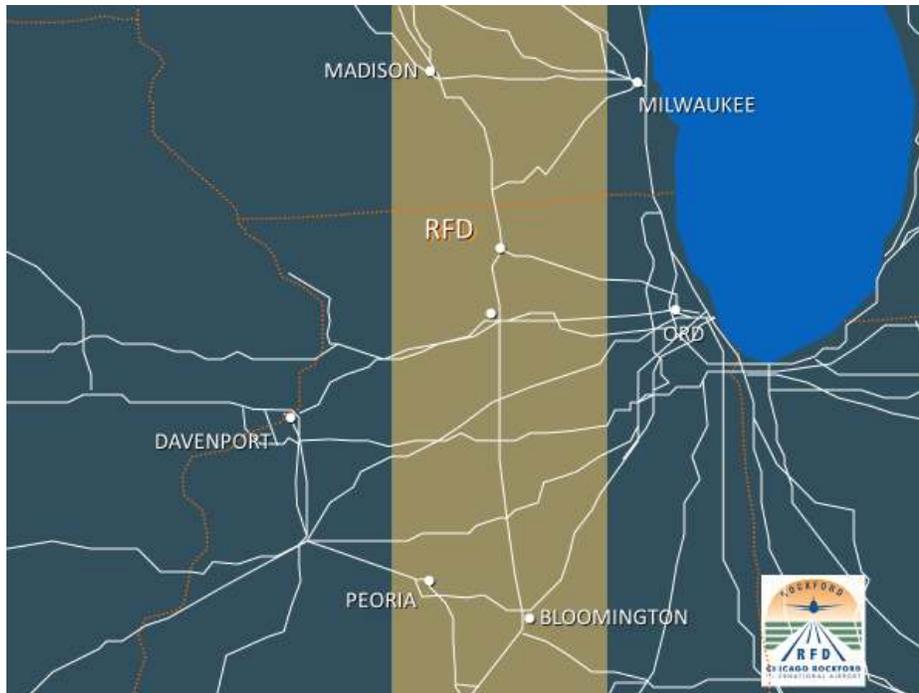
Overview and Economic Conditions

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

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

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

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



The Metropolitan Statistical Area (MSA) includes almost 335,000 people. The region is considered an excellent location for aerospace, manufacturing, logistics services, warehouses, and distribution centers. The number of employed individuals in the county is over 142,000. Business growth continues and employment needs are increasing. Due to the impacts of the global pandemic, the unemployment rate increased from 5.4% to 11.4% for Winnebago County over the last year. There is continued local collaboration to increase the quality of available workers to meet the demands of the increasingly technical and specialized job opportunities in the local area. Nearly 2,500 jobs were created to support enhanced operations at the airport.

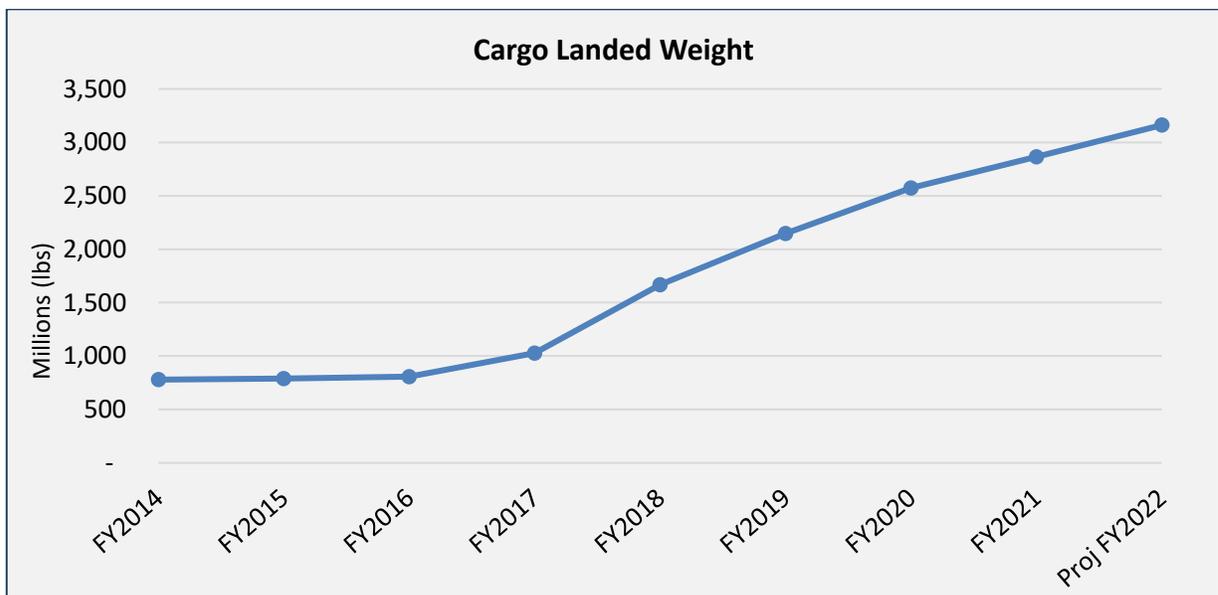
Overview and Economic Conditions (continued)

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

This has been another excellent year for air cargo at RFD. The most recent FAA cargo reports state that RFD is the 17th largest cargo airport in the United States. The annual total of gross landed weight for all cargo aircraft for fiscal year 2021 was up 11.29%. FY2022 budget projects a 10.38% increase in cargo weight due to increased cargo activity. The amount of cargo traveling through RFD exceeds that of much larger airports including Denver, Phoenix, Seattle, Houston, and Portland, among others. The leading driver of the cargo growth was e-commerce purchases. That, combined with the cargo flights carrying essential products and PPE to the region, increased the number of cargo flights and new international cargo operations.

RFD is the second largest UPS hub in North America. UPS landing fee revenue has always been a significant part of the Authority budget and will continue to grow. UPS has completed an internal construction project within its air cargo sorting facility at RFD. During FY2022, UPS will continue to increase their daily operations as well as increase the size of their aircraft landing at RFD.

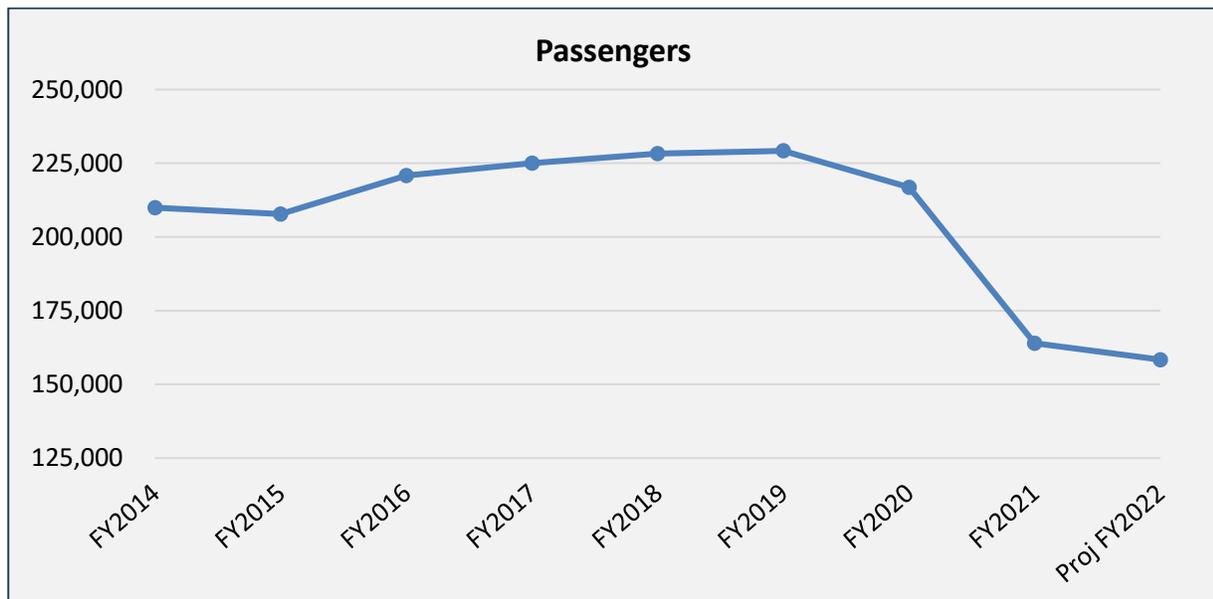
Amazon Air is operating a regional gateway at RFD. Currently there are five cargo carriers, Atlas Air, ABX Air, Sun Country, Southern Air and ATI, serving the Amazon Air Operation. Amazon expanded the facility in FY2020 which has increased cargo activity and operating revenues for the Authority.



Overview and Economic Conditions (continued)

Passenger service is a high priority at RFD. Allegiant is now serving seven destinations out of RFD. Allegiant Air accounts for over 80% of all seats currently available at RFD. Apple Vacations offers seasonal service to Cancun, Punta Cana, and Costa Rica however, this service was placed on hold due to the pandemic. Passenger service was down 24.4% from the prior year due to the continued impact on travel of COVID-19. While still a decrease, RFD saw less of a decline than other airports nationwide.

With the continued uncertainty of the COVID-19 pandemic, RFD is projecting a slight decrease in passenger travel for FY22 of 3.4% from FY21.



The Foreign Trade Zone (FTZ) program creates a partnership between American business and the Federal government, increasing the global market share of U.S. businesses and retaining or creating jobs at home. The FTZ program fits the mission of the Authority to expand business opportunity, create jobs and assist local companies to compete more effectively in the global marketplace. Service is now readily available to prospects in all of Boone, Ogle, Lee, Stephenson, Winnebago as well as parts of Bureau, Kane and McHenry Counties, most of LaSalle and part of Putnam County. While the growth in movement of products through FTZ activated sites and subzones has slowed in the recessionary economy, interest in activation is growing, with additional applications anticipated during FY2022.

Budget Overview

The budget presented has many highlights discussed in subsequent sections. Operating revenue is budgeted at \$13,515,480 for FY2022. This is an increase of 22.61% from the prior year budget mainly related to increases in airport fees and lease revenues offset by a decrease in airport service fees. Operating expenses are budgeted at \$11,605,774 which is an 8.41% increase compared to the prior year budget.

	Actual FY2020	Budget FY2021	Estimated FY2021	Budget FY2022
Operating Revenue	\$11,907,174	\$11,022,801	\$ 11,337,780	\$ 13,515,480
Operating Expense	(10,653,600)	(10,705,442)	(10,670,489)	(11,605,774)
Net Operating Revenue/(Expense)	1,253,574	317,359	667,291	1,909,707
Non-operating Revenue (Expense)	7,517,050	24,991,837	39,476,806	11,465,258
Debt Service	3,652,405	(2,587,128)	4,619,343	26,228,411
Net before Capital	12,423,028	22,722,068	44,763,440	39,603,375
Capital Improvement Program	(9,519,103)	(22,619,195)	(44,455,442)	(39,516,280)
Excess Funds	\$ 2,903,925	\$ 102,873	\$ 307,998	\$ 87,095

Long-Range Financial Plan

A multi-year projection has been prepared of The Authority's financial operations based on projected revenue and expense to assist in analyzing future performance. The projection indicates that revenues will continue to support expense for the next five years including capital improvement. With strong performance, there is opportunity to provide additional capital improvement beyond what is currently projected.

	Budget FY2022	Projected FY2023	Projected FY2024	Projected FY2025	Projected FY2026
Operating Revenue	\$ 13,515,480	\$ 15,542,283	\$ 16,477,374	\$ 17,099,625	\$ 17,749,687
Operating Expense	(11,605,774)	(12,425,028)	(13,315,969)	(14,285,456)	(15,341,029)
Net Operating Revenue/(Expense)	1,909,707	3,117,255	3,161,405	2,814,169	2,408,659
Non-Operating Revenue (Expense)	11,465,258	38,867,583	37,197,465	24,049,197	22,878,241
Debt Service	26,228,411	(3,250,589)	(5,728,263)	(3,069,787)	(3,114,687)
Net before Capital	39,603,375	38,734,248	34,630,607	23,793,579	22,172,212
Capital Improvement Program	(39,516,280)	(38,217,000)	(34,392,000)	(22,667,000)	(21,175,000)
Excess Funds	\$ 87,095	\$ 517,248	\$ 238,607	\$ 1,126,579	\$ 997,212

History

Camp Grant

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

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

RFD’s Terminal

In 1987, a new terminal building was constructed to better meet the community’s passenger travel needs. Within the last few years, significant terminal internal reconstruction and reconfiguration projects have been completed to accommodate the many new passengers and to meet Transportation Security Administration requirements. A four-phase expansion concluded in FY2021. New upgrades include updated and expanded passenger areas, updated restrooms, increased TSA security lines, improved baggage handling areas, new elevators and escalators and a new restaurant.

Infrastructure

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

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

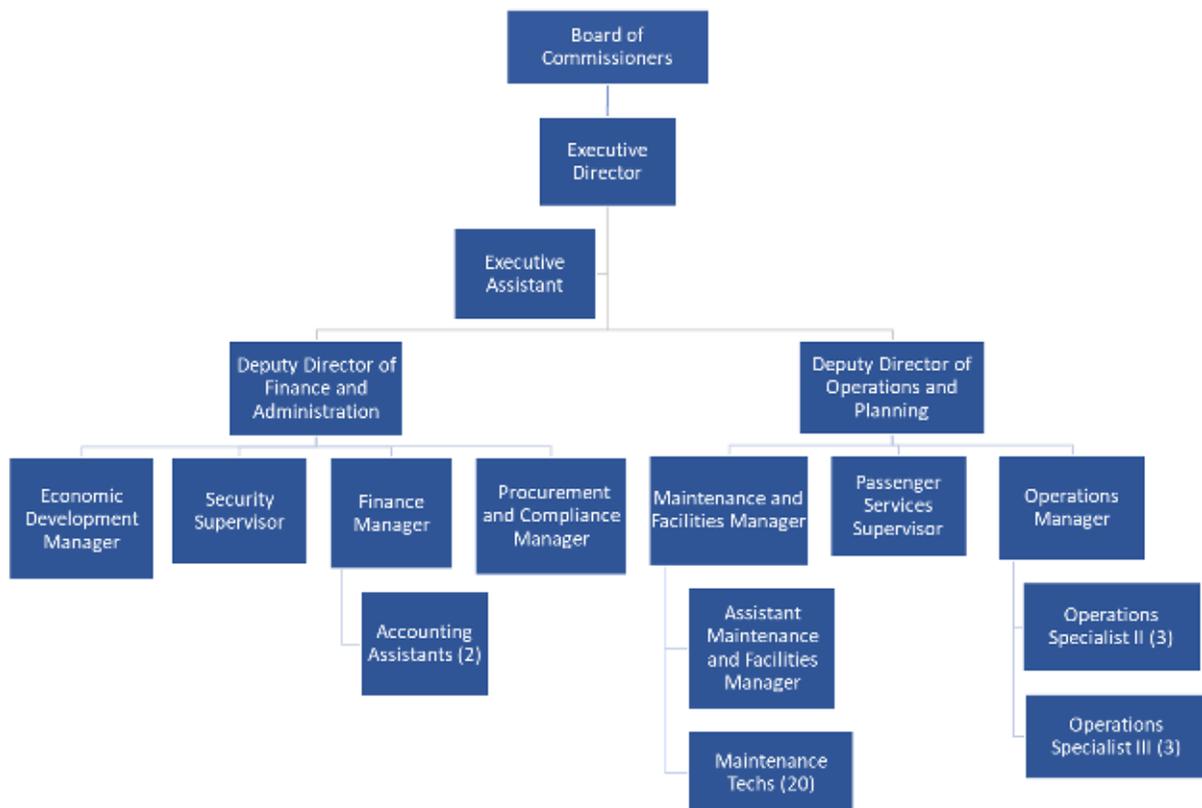
Organization

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

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

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

Organizational Chart



Organization (continued)

The Executive Director of the Authority reports to the Board of Commissioners. In BFY2022, airport staff is comprised of 48 employees (including seven Commissioners). Staffing is up from the prior two year.

Position Summary Schedule

Department	FY2020 Actual	FY2021 Budget	FY2022 Budget
Airport Commissioners	7	7	7
Administration and Finance	8	7	8
Facilities and Maintenance	20	20	22
Operations	8	9	9
Marketing and Development	2	2	2
Total Organization	45	45	48

Strategic Plan

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

The Authority reviewed our progress on prior initiatives, the current aviation environment, and our opportunities for future growth during FY2022. All departments participated in developing a new strategic plan aligned with our mission, vision, and values. Budget planning was driven by the strategic plan. The strategic plan is as follows:

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

Strategic Plan (continued)

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

Strategic Plan (continued)

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

A progress report on initiatives outlined in the FY2021 adopted budget and goals for the FY2022 adopted budget are included within each department's report in the Operating Expenses section of this document. The department initiatives include specific steps staff has undertaken to achieve the strategic priorities included in the strategic plan.

Financial Policies

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

Basis of Accounting

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

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

Basis of Budget

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

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

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

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

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

Operating Revenues and Expenses

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

Financial Policies (continued)

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

Cash, Cash Equivalents and Investments

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

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

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

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

Allowable securities are as follows:

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

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

Financial Policies (continued)

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

Accounts Receivable

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

Taxes Receivable

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

Designated Assets

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

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

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

Capital Assets

An accounting and inventory of all capital assets is maintained to ensure proper accounting control resulting in accurate financial reports. All individual items with a cost in excess of \$5,000 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 and vehicles	5-10
Furniture, fixtures and computer equipment	3-5

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

Financial Policies (continued)

Deferred Charges and Unamortized Premium on Bonds

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

Compensated Absences

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

Use of Estimates

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

Net Assets

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

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

Operating Reserves

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

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

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

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

Financial Policies (continued)

Legal Debt Margin

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

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

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

Tax Rate

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

Risk Financing

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

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

Rates and Charges

The Authority periodically approves a Rates and Charges Policy by resolution. The charges incorporated therein are determined by examining costs associated with the revenue stream. Rates and Charges were reviewed and amended in June 2019 and are included in Exhibit 2. Rates and Charges are based on a combination of both residual and compensatory methods.

Internal Controls

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

Financial Policies (continued)

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

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

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

Budget Document

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

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

Budget Process

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

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

Budget Process (continued)

Description	Deadline
Review Capital Needs for Next Five Years	11/18/2020
Review Line Items from Current Year Budget	12/01/2020
Distribute Budget Worksheets	12/03/2020
Meet with Individual Departments on Budgets	12/14-18/2020
Completed Budget Worksheets Returned to CFO	01/08/2021
Capital Budget Finalization – Current Year Funding	01/22/2021
Finance Review and Compilation of Budget Worksheets	01/29/2021
Final Review of Budget Reports	02/10/2021
Draft Budget presented at Planning and Finance Meeting	02/18/2021
Approval of Tentative Budget by Board of Commissioners	02/25/2021
Notice Published for Public Hearing	03/02/2021
Public Hearing of Budget	04/22/2021
Final Approval of Budget by Board of Commissioners	04/22/2021

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

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

Budget Monitoring. The independent monitoring of the budget continues throughout the fiscal year for management control purposes. Monthly financial statements comparing actual 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, 2020. This was the twenty-second in as many years that the Authority has been awarded this prestigious award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

Distinguished Budget Presentation Award (continued)



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Greater Rockford Airport Authority

Illinois

For the Fiscal Year Beginning

May 1, 2020

Christopher P. Morill

Executive Director

Revenues

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

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

Shown below are the historical annual operating revenues. The Authority continues to build on its cargo operations and is continuing to see increasing passenger services since the start of the global pandemic (COVID-19). Increases in cargo landings, lease revenue, paid passenger parking, and rent-a-car commissions are the major factors of revenue increases. The FY2022 budget includes a 22.61% increase in budgeted operating revenue.

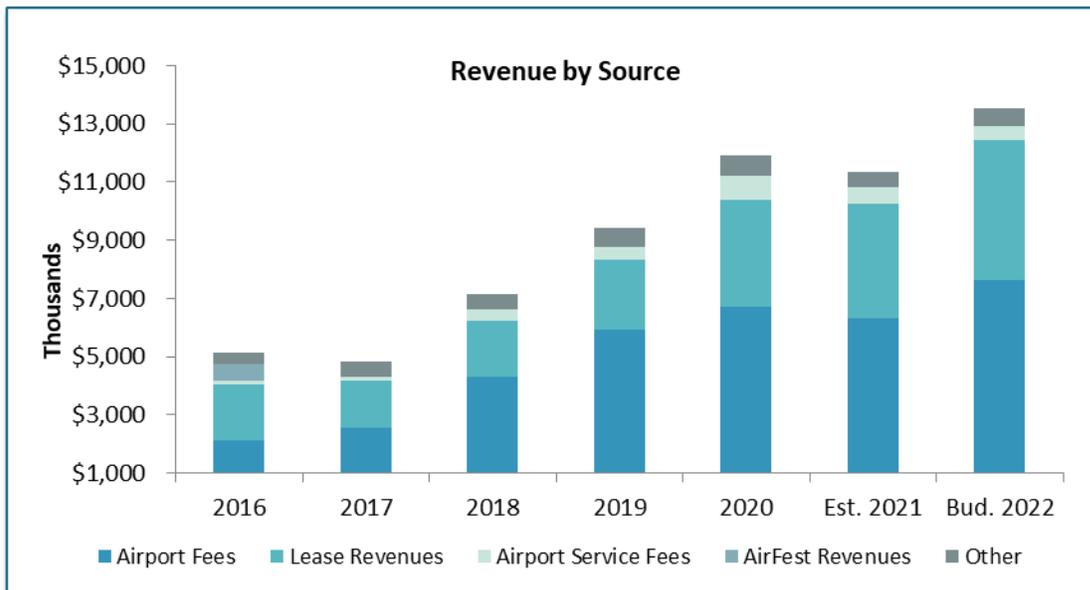


Non-operating revenues consist predominantly of the property tax levy, but also include replacement taxes and interest income collected on Authority deposits. Property taxes are levied to cover certain operating expenses. The total levy is approximately \$.0987 per \$100 of assessed valuation and the projected increase is the result of assessed valuations. Replacement taxes are projected to remain constant based on State of Illinois estimates. Airport Improvement Program (AIP) funds and passenger facility charges are considered non-operating revenues. Passenger facility charges project an increase based on enplanement growth for the next year.

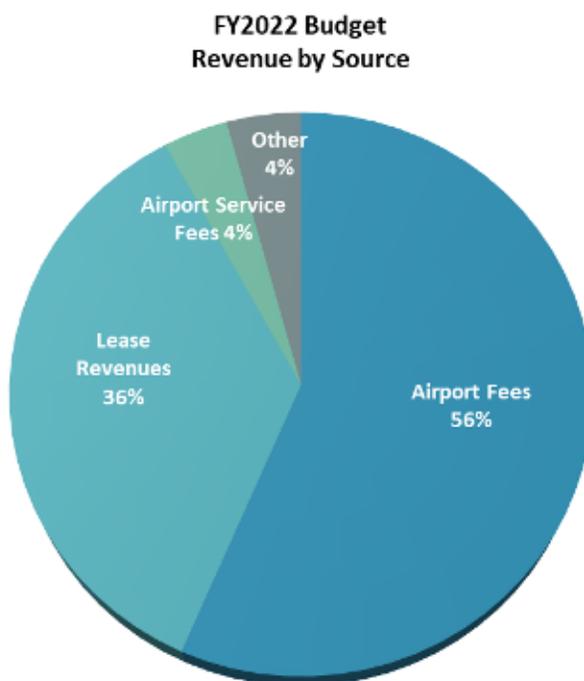
Revenues (continued)

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

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



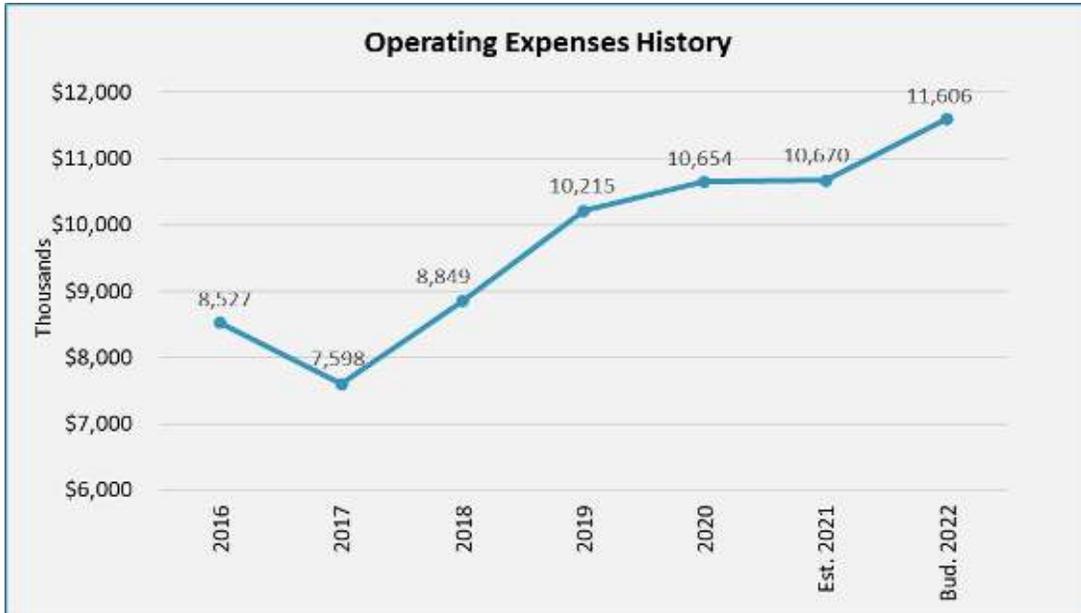
The charts below show the FY2022 revenue budget by source. The primary source of the revenue is derived from Airport Fees.



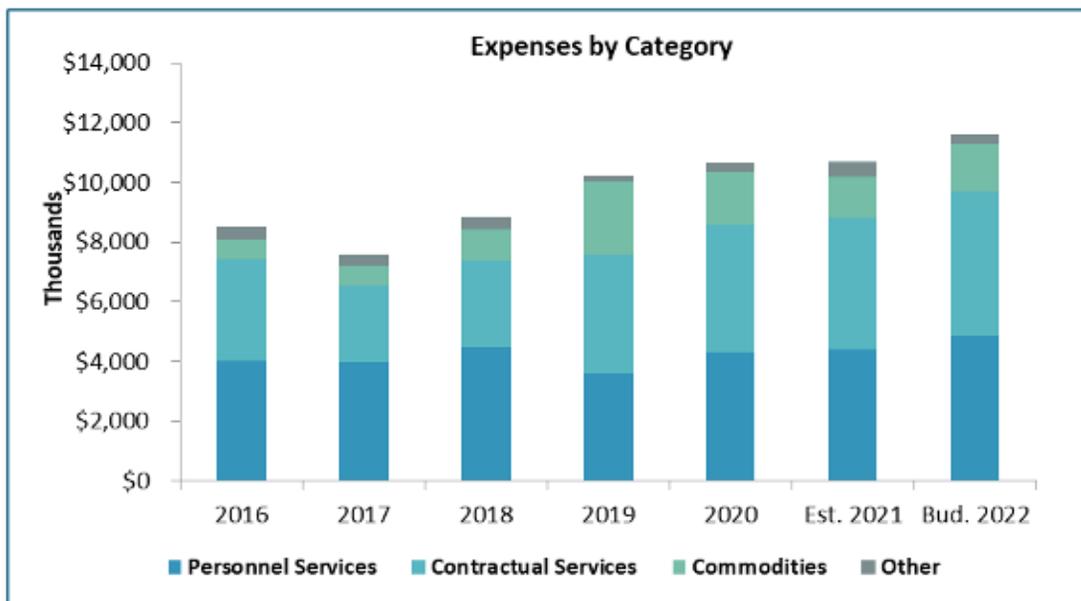
Expenditures

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

Following are the historical annual operating expenses. The total increase in operating expenses for FY2022 is 8.41%. Increases include salaries, parking operations, and raw materials related to snow removal.



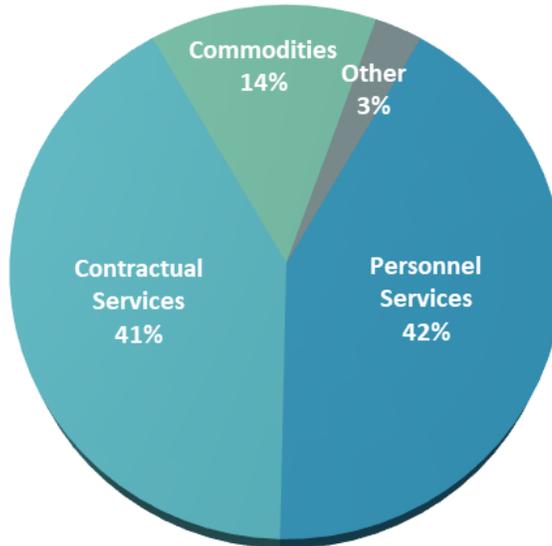
Operating expense allocation for the past five years is as follows:



Expenditures (continued)

Operating expenses are categorized into four areas, personnel service, contractual service, commodities, and other. Below is a chart showing the breakdown of FY2022 costs by category.

Expenses by Category



Personnel Services accounts for 42% of operating expenses and is traditionally one of the largest costs for the Authority. The Authority views the employees as its most important asset and works to hire the best most highly qualified and motivated people.

Contractual services is 41% of the total operating expenses and includes all contracted services and utilities. Commodities make up only 14% of total expenses. The Other category of 3% is for those costs not included in the other sections and include the glycol retention treatment facility, landfill and environmental costs.

Non-operating expenditures consist predominantly of interest expense for debt. There has been an increase from the prior year due to the issuance of bonds to fund the construction of the Midfield Cargo Buildings.

Debt Service

The primary objective of debt management is to keep the level of indebtedness within the available resources and comply with the legal debt limitations as established by the Airport Authorities Act. The Authority's outstanding debt is \$28.8 million in revenue bonds.

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

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

The authority issued a series of bonds totaling \$12.0 million in FY2018 for improvements related to the International Cargo Building. The bonds are secured by revenues derived from landing fees.

In FY2022, the authority plans to issue a series of bonds totaling \$50 million to construct an air cargo building, related ramp space, parking lot and roadway. In addition, the bonds will be used to refund outstanding 2018 bonds and an existing promissory note.

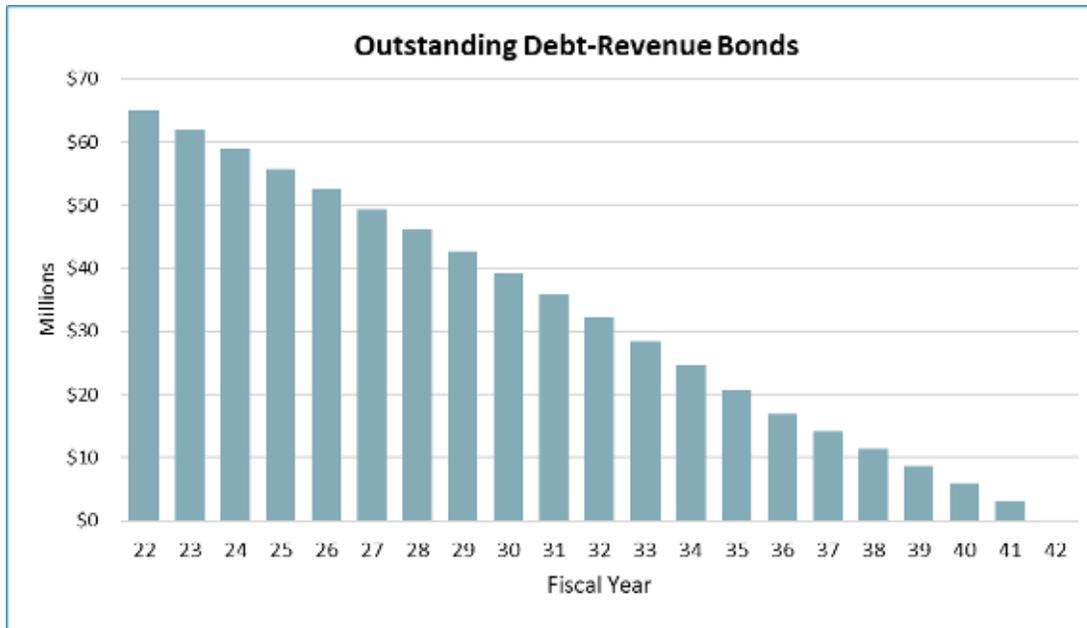
FY2022 bond debt repayment related to principal totals \$2,635,000. Interest payments will total \$1,577,716. Of this amount, \$912,084 will be received through intergovernmental contributions by the City and County based on the intergovernmental agreements related to the MRO bonds.

FY2022 Debt Schedule

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
GO alternative revenue bond - 2015A	355,853	209,459	565,312
GO alternative revenue bond - 2015B	218,252	128,520	346,772
GO alternative revenue bond - 2015C	174,601	102,817	277,418
GO alternative revenue bond - 2017	186,469	160,631	347,100
GO alternative revenue bond - 2021	2,635,000	976,289	3,611,289
Total	3,570,175	1,577,716	5,147,891
Less City and County Contributions	(574,105)	(337,979)	(912,084)
Total Authority Debt Payments	\$ 2,996,070	\$ 1,239,737	\$ 4,235,807

Debt Service (continued)

The Authority manages debt with the goal of only incurring debt where it economically has a benefit and the following table shows the future of the outstanding debt.



In 2021, Moody’s reviewed and assigned the Authority a bond rating of Aa3. The rating reflects the Authority’s stable and consistently well-managed financial operations. The Authority will continue to maintain a balance sheet that will allow for favorable rating in the future when necessary to issue ratable debt.

Currently, the Authority does have not any issued debt subject to legal debt margins. All outstanding debt is in the form of alternate revenue bonds secured by future revenue sources. Current debt levels obligate revenue sources for repayment. In most cases, the revenues are from new revenue sources not previously relied on for operations. The Authority has maintained level funding for coverage of ongoing operating expenses. The current debt levels have no impact on airport operations.

The legal debt margins as of April 30, 2020 are summarized as follows which shows the Authority is within the legal debt margin.

	<i>Without Voter Approval</i>	<i>With Voter Approval</i>	<i>Total Debt Limitation</i>
Assessed valuation at April 30, 2020	\$ 2,963,182,856	\$ 2,963,182,856	\$ 2,963,182,856
Debt limit percentages	0.75%	2.30%	2.875%
	22,223,871	68,153,206	85,191,507
Total debt applicable to debt limit	-	-	10,295,958
Total	-	-	10,295,958
FYE21 Legal debt margins	\$ 22,223,871	\$ 68,153,206	\$ 74,895,549

Capital Improvement Program

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

Funding Sources

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

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

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

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

In October 1992, the Authority received approval from the Federal Aviation Administration (FAA) to impose a PFC of \$3.00 per enplaned passenger. In April 2007, the FAA approved the Authority's request to increase the PFC level to \$4.50 on all remaining reimbursements. The new collection rate commenced on June 1, 2007. The total approved collectible amount is \$7,476,945 and the Authority has collected PFCs, including interest earned totaling \$7,429,565.

In 2016, the Authority received FAA approval to continue to impose a PFC until March 1, 2038. PFC collections will be utilized to support the costs of the terminal expansion project including bond principal and interest payments. The total approved collectible amount is \$8,627,885 and the Authority has collected PFCs, including interest earned totaling \$1,017,476.

Current Capital Improvement Projects

Capital improvement projects currently in progress at the Airport include development of a 90,000 square foot international cargo building in the midfield, expansion and rehabilitation of the stormwater detention area, construction of a perimeter/security fence, and phase four of the northwest cargo apron expansion.

It is projected that FY2022 will include approximately \$8.6 million in AIP eligible projects for airport improvements. The AIP program typically provides funding for 90% to 95% of eligible project costs. The AIP program budget generally will include potential projects if discretionary funding becomes available. If the funding is not available during the year the project will carry forward to the next year. The current year budget includes the Authority's share of approximately \$30.9 million of the \$39.5 million in projects.

Projected FY2022 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	\$ 38,214,637
Maintenance Projects	845,000
Operations Projects	410,000
Administrative Projects	30,000
Terminal Projects	16,643
Total Capital Improvements	<u>\$ 39,516,280</u>

Net Assets

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

Summary of Changes in Net Position

	FY2017	FY2018	FY2019	FY2020	FY2021	BFY2022
Net Position, Beginning of Year	\$114,181,618	\$111,735,216	\$108,006,965	\$124,063,178	\$123,966,507	\$152,429,307
Income(loss) before Capital Contributions	(10,190,252)	(13,916,788)	(8,692,561)	(4,129,195)	5,664,227	(4,540,672)
Capital Contributions	7,743,851	10,188,537	24,748,774	4,032,524	22,798,573	8,615,637
Net Position, End of Year	<u>\$111,735,217</u>	<u>\$108,006,965</u>	<u>\$124,063,178</u>	<u>\$123,966,507</u>	<u>\$152,429,307</u>	<u>\$156,504,272</u>

Designated Assets

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

Operating account. The operating account is unrestricted and predominantly all operating monies (operating revenue and operating tax levy) are received and expended from this account (operating fund).

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

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

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

- Landfill closure fund,
- Glycol retention/treatment facility fund,
- Equipment replacement fund, and

The landfill closure fund is estimated to be at approximately \$747,489. The balance appears reasonable based on the environmental engineer's 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 \$714,776 and is funded by monthly installments from Amazon and the interest earned.

The equipment sinking/replacement fund is for airport equipment purchases of larger equipment such as snow removal vehicles or fire trucks in the future. Presently, the fund balance is \$610,461. Typically, this account is funded by the receipts of auctioned equipment, investment earnings and a budgeted sinking fund transfer. Funds are used for cash flow and capital projects as needed and will be replenished upon project completion. A building re-roof fund to fund an extensive re-roof of airport-owned buildings has a balance of \$211,139. This balance appears adequate to fund the re-roof in the future. The Authority views this as an effective way to manage large capital purchases.

Designated Assets

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

	Operating Account	Debt Service Account	Capital Proj. Account	Trust Account	Total
Balance, 1 May 2021	\$ 976,761	\$ 1,903,876	\$ 1,486,587	\$ 2,269,046	\$ 6,636,269
Sources					
Operating revenue	13,515,480				13,515,480
Non-operating revenue	572,266				572,266
Tax levy-operating	3,081,884				3,081,884
Equipment trust funds					-
Debt issue					-
PFC			347,642		347,642
AIP fund reimbursement		-			-
Capital contributions			8,615,637		8,615,637
Intergovernmental contributions		319,185			319,185
Total Sources	17,169,630	319,185	8,963,279	-	26,452,094
Uses					
Operating expenses	11,605,774				11,605,774
Non-operating expenses		1,471,356			1,471,356
Debt service payments		(26,228,411)			(26,228,411)
Capital expenditures			39,516,280		39,516,280
Total Uses	11,605,774	(24,757,055)	39,516,280	-	26,364,999
Net Sources (Uses)	5,563,857	25,076,240	(30,553,001)	-	87,095
Balance before transfers	6,540,618	26,980,115	(29,066,414)	2,269,046	6,723,364
Transfers	(3,000,000)	(26,067,000)	29,067,000		-
Balance, 1 May 2022	\$ 3,540,618	\$ 913,115	\$ 586	\$ 2,269,046	\$ 6,723,365

Acknowledgement

The leadership and the commitment of the Authority's management team and Board is critical to the presentation of a comprehensive budget document. The entire organization is acknowledged for their efforts in preparation of this document. The time and effort by all Deputy Directors, Managers and Support Staff is greatly appreciated. The end result of this process will be increased ownership for a dynamic and evolving document.

Sincerely,



Michelle Cassaro
Chief Financial Officer



Budget Summary

The budget presented has many highlights discussed in previous sections. Operating revenue is budgeted at \$13,515,480 for FY2022. This is an increase of 22.61% from the prior year budget mainly related to increases in airport fees and lease revenues offset by decreased in airport service fees. Operating expenses are budgeted at \$11,605,774 which is an 8.41% increase compared to the prior year budget.

	Actual FY2020	Budget FY2021	Estimated FY2021	Budget FY2022	Budget % Change
Operating Revenue					
Airport fees-airside	\$ 5,462,785	\$ 5,361,189	\$ 5,639,749	\$ 6,479,230	
Airport fees-landside	1,233,054	612,000	662,798	1,158,381	
Lease revenue-on airport	2,953,603	3,153,934	3,119,436	4,094,144	
Lease revenue-off airport	734,260	731,311	813,427	706,133	
Airport service fees	840,798	611,225	568,000	502,050	
Other	682,673	553,142	534,371	575,542	
Total Operating Revenue	11,907,174	11,022,801	11,337,780	13,515,480	22.61%
Operating Expense					
Personnel services	(4,306,190)	(4,393,355)	(4,392,208)	(4,876,041)	
Contractual services	(4,282,610)	(4,584,026)	(4,391,887)	(4,799,784)	
Commodities	(1,775,127)	(1,367,661)	(1,404,178)	(1,593,549)	
Other	(289,673)	(360,400)	(482,217)	(336,400)	
Total Operating Expense	(10,653,600)	(10,705,442)	(10,670,489)	(11,605,774)	8.41%
Net Operating Expense	1,253,574	317,359	667,291	1,909,707	
Non-operating Revenue (Expense)					
Property tax levy-operating	2,981,413	2,991,528	2,991,528	3,081,884	
Replacement tax	531,766	500,000	646,000	550,000	
Interest income	32,452	23,000	5,259	12,266	
AIP grant funds - vendor direct	208,764	8,258,103	-	-	
Passenger facility charges	487,044	190,562	299,350	347,642	
Gain/(Loss) on disposal of assets	103,810	10,000	332,119	10,000	
Current capital contributions	3,823,759	13,509,842	28,968,187	8,615,637	
Reimbursement Grant	-	-	7,299,851	-	
Intergovernmental contributions	295,404	912,084	337,979	319,185	
Interest expense	(947,363)	(1,403,282)	(1,403,468)	(1,471,356)	
Total Non-operating Revenue (Expense)	7,517,049	24,991,837	39,476,806	11,465,258	-54.12%
Debt Service, Sinking Fund Deposits & Other Uses					
Debt service principal payments	(1,564,631)	(2,587,128)	(3,859,194)	(3,870,589)	
Debt service escrow payments	-	-	-	-	
Debt Service	5,217,036	-	8,478,537	30,099,000	
Total Debt Service and Sinking Fund Deposits	3,652,405	(2,587,128)	4,619,343	26,228,411	-1113.80%
Net before Capital	12,423,027	22,722,068	44,763,440	39,603,375	
Capital Improvement Program					
Airside projects	(5,332,786)	(18,586,203)	(29,662,256)	(38,214,637)	
Landside projects	(195,630)	(2,999,102)	(3,499,102)	-	
Terminal projects	(3,869,552)	-	(1,376,071)	(16,643)	
Administration projects	-	-	-	(30,000)	
Maintenance projects	(4,251)	(948,890)	(9,833,013)	(845,000)	
Operations projects	(116,884)	(85,000)	(85,000)	(410,000)	
Total Capital Improvements	(9,519,103)	(22,619,195)	(44,455,442)	(39,516,280)	74.70%
Excess Funds	\$ 2,903,924	\$ 102,873	\$ 307,998	\$ 87,095	

Operating Revenue Summary

Revenue sources for FY2022 are grouped into four main categories: airport fees, lease revenues, airport service fees, and other. Some of the categories are broken down even further. The information below is the budgeted revenue amounts for each of the categories as well as a description of the category.

Airport fees – airside, \$6,479,230. Airport fees – airside revenue is comprised of landing fees, ramp fees, and fuel flowage fees. These fees are generated on the runways, taxiways, aprons, and in areas of the terminal. They are variable in nature and dependent upon an aircraft landed weight, number of aircraft seats or gallons of fuel pumped. Fuel flowage fees were calculated using the prior year estimated fueling and economic indicators. Most fuel flowage is from the general aviation and small commercial operations and has budgeted similar activity as the prior year.

Landing fees for cargo are projected based on 3.2 billion pounds, which is a 10.0% increase over prior year. Increased cargo operations have resulted in an increase of 23.4% for cargo landing fees over prior years budget.

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

Airport fees – landside, \$1,158,381. The revenue in this category includes rental car commissions. As in the previous category, these revenues are also variable in nature. Revenues are expected to increase in FY2022 as passenger travel continues to gain momentum from the impact of the pandemic.

Lease revenue – on airport, \$4,094,144. 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. Building lease revenues in FY2022 projected to increase with the addition of the 90,000 square foot Midfield International Cargo Building.

Lease revenue – off airport, \$706,133. Sources of revenue include building and land leases. These sources are also fixed and do not vary much over time and are outside the perimeter fence and are largely considered an industrial park. Lease revenue–off airport is planned to decrease from FY2021.

Airport service fees, \$502,050. Airport service fees include badging, training, escorting, snow removal, international rubbish removal, deicing chemical application and any other services provided. The amount budgeted is based on estimated activity levels for badging and international rubbish. The snow and deicing fees are based on our regional averages. The budget has decreased for FY2022 due to decreased international service-related fees and badging fees for new airport tenants.

Other – \$575,542. Other revenue sources include commercial operating agreement fees, quarry fees, foreign trade zone fees, stormwater fees and other miscellaneous income. Most of these revenues are incidental to the operation. The increase in the budget is related to an increase in stormwater fees offset by decrease in foreign trade zone fees and miscellaneous income.

Operating Revenues Budget

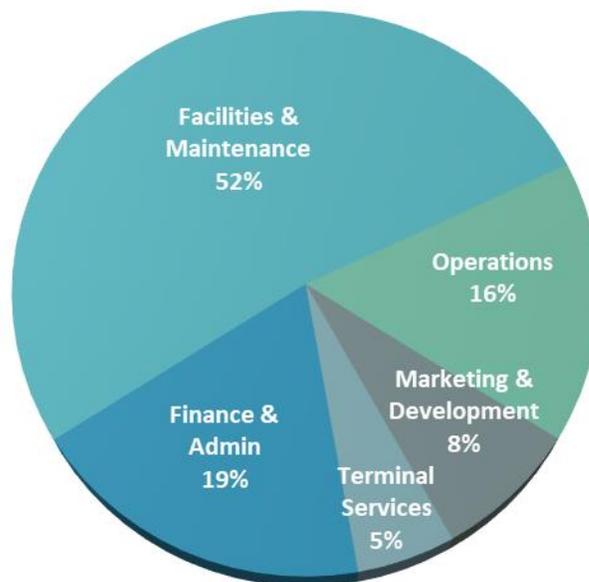
CODE/LINE ITEM	ACTUAL FY2019	ACTUAL FY2020	BUDGET FY2021	ESTIMATE FY2021	BUDGET FY2022
AIRPORT FEES-AIRSIDE					
4120 Fuel flowage fees	\$ 41,195	\$ 45,124	\$ 46,000	\$ 34,278	\$ 47,000
4140 Landing fees - cargo	4,154,398	4,997,176	4,957,345	5,081,815	6,115,076
4141 Landing fees - non cargo	284,678	268,649	195,245	223,005	219,760
4142 Landings - terminal fees	80,928	75,625	49,915	61,238	64,710
4143 Landings - MRO	41,341	-	20,000	-	20,000
4144 Aircraft parking fees	29,156	76,210	92,684	239,413	12,684
TOTAL FEES-AIRSIDE	4,631,697	5,462,785	5,361,189	5,639,749	6,479,230
AIRPORT FEES-LANDSIDE					
4250 Parking revenue	1,095,804	1,032,512	437,000	501,413	904,381
4270 Rental car commissions	208,499	200,542	175,000	161,384	254,000
TOTAL FEES-LANDSIDE	1,304,303	1,233,054	612,000	662,798	1,158,381
LEASE REVENUE-ON AIRPORT					
4330 Building	1,205,216	2,294,067	2,550,126	2,514,567	3,424,101
4360 Land	405,643	536,979	490,433	493,774	572,597
4380 Terminal	99,672	122,557	113,375	111,095	97,447
TOTAL LEASE-ON AIRPORT	1,710,531	2,953,603	3,153,934	3,119,436	4,094,144
LEASE REVENUE-OFF AIRPORT					
4430 Building	191,519	201,172	189,516	196,761	140,952
4460 Land	486,999	533,088	541,795	616,666	565,181
TOTAL LEASE-OFF AIRPORT	678,518	734,260	731,311	813,427	706,133
AIRPORT SERVICE FEES					
4950 Fuel permits	4,350	3,225	3,225	3,225	2,850
4971 International rubbish disposal fee	25,860	142,090	148,000	5,350	19,200
4972 Deicing chemical application fee	328,726	346,113	160,000	160,000	300,000
4975 Other airfield service fees	93,795	349,370	300,000	399,425	180,000
TOTAL AIRPORT SERVICE FEES	452,731	840,798	611,225	568,000	502,050
OTHER					
4910 Video Entertainment Revenue	503	7,500	9,500	7,186	8,400
4930 Commercial operating agreement	86,874	109,116	122,642	118,747	122,642
4940 Foreign trade zone fees	100,630	119,650	110,000	110,000	97,500
4960 Quarry fees	90,000	90,000	90,000	90,000	90,000
4980 Stormwater fees	150,000	270,000	150,000	206,000	246,000
4990 Miscellaneous	220,981	86,407	71,000	2,437	11,000
TOTAL OTHER	648,988	682,673	553,142	534,371	575,542
TOTAL OPERATING REVENUE	\$ 9,426,768	\$11,907,174	\$11,022,801	\$11,337,780	\$13,515,480

Operating Expenses Summary

The Authority was broken down into five departments with respective Directors or Managers responsible for each independent budget. You will have the opportunity to better understand the goals and objectives of the organization and how the various expenses align with our strategic plan. The five departments included Administration and Finance, Facilities and Maintenance, Operations, Marketing and Development, and Terminal.

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

**FY2022 Budget
Expenses by Department**



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

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

Operating Expenses Combined Departmental Budget

CODE/LINE ITEM, All Departments	Dept 04 Fin/Admin	Dept 05 Fac/Maint	Dept 06 Operations	Dept 07 Market/Dev	Dept 08 Terminal	BUDGET FY2022	BUDGET FY2021	\$ Change	% Change
PERSONNEL SERVICES									
5400 Insurance	\$ 95,504	\$ 323,276	\$ 156,281	\$ 42,038	\$ -	\$ 617,099	\$ 573,065	\$ 44,034	7.68%
5401 Insurance-retirees	29,747	-	-	-	-	29,747	40,305	(10,558)	(26.19%)
5450 Overtime	-	163,863	69,414	-	-	233,277	179,799	53,478	29.74%
5451 Double time	-	66,359	29,254	-	-	95,613	78,860	16,753	21.24%
5500 Payroll taxes	62,200	131,438	52,830	18,943	-	265,411	240,576	24,835	10.32%
5560 Pension contribution	86,089	145,874	59,705	22,354	-	314,022	296,757	17,265	5.82%
5600 Salaries/wages	873,376	1,373,435	577,309	245,381	-	3,069,500	2,757,096	312,404	11.33%
5605 Outside labor	-	75,000	-	-	-	75,000	75,000	-	0.00%
5610 Pager pay	-	7,800	-	-	-	7,800	7,800	-	0.00%
5700 Tool allowance	-	1,800	-	-	-	1,800	1,800	-	0.00%
5750 Training	4,120	26,173	14,500	-	-	44,793	32,850	11,943	36.36%
5800 Workers compensation insurance	1,223	71,646	24,653	344	-	97,865	86,847	11,018	12.69%
5900 Uniforms	1,100	9,613	1,200	-	-	11,913	11,300	613	5.42%
5901 Uniforms-lost,damaged,replaced	-	500	-	-	-	500	500	-	0.00%
5903 Uniforms-protective clothing	-	9,000	2,700	-	-	11,700	10,800	900	8.33%
TOTAL PERSONNEL SERVICES	1,153,359 1,868	2,405,777	987,845	329,060 3,896	-	4,876,041	4,393,355	482,686	10.99%
CONTRACTUAL SERVICES									
6021 Ad-Television	-	-	-	145,000	-	145,000	145,000	-	0.00%
6025 Ad-Promotions	-	-	-	9,300	-	9,300	14,250	(4,950)	(34.74%)
6027 Ad-Internet/web	-	-	-	25,000	-	25,000	16,700	8,300	49.70%
6050 Audit	35,650	-	-	-	-	35,650	36,810	(1,160)	(3.15%)
6040 Airfield repair	-	32,500	-	-	-	32,500	82,500	(50,000)	(60.61%)
6100 Building repair	-	22,255	-	-	15,000	37,255	40,750	(3,495)	(8.58%)
6110 Building repair - MRO	-	185,000	-	-	-	185,000	135,000	50,000	37.04%
6121 Miles Ahead	-	-	-	5,000	-	5,000	5,000	-	0.00%
6140 Conferences & meetings	9,200	4,250	5,500	20,250	-	39,200	40,650	(1,450)	(3.57%)
6150 New airline service support	-	-	-	150,000	-	150,000	150,000	-	0.00%
6160 Consulting services	225,539	-	-	168,000	-	393,539	535,100	(141,561)	(26.46%)
6161 ARFF contractual services	-	-	700,000	-	-	700,000	685,833	14,167	2.07%
6163 LEO contractual services	-	-	25,000	-	-	25,000	35,000	(10,000)	(28.57%)
6201 Energy-electric	19,000	130,000	-	-	130,500	279,500	270,600	8,900	3.29%
6202 Energy-natural gas	7,300	38,000	-	-	23,400	68,700	78,000	(9,300)	(11.92%)
6300 Engineering services	50,000	-	-	-	-	50,000	45,000	5,000	11.11%
6321 Equip maint-repairs/services	-	31,100	-	-	41,950	73,050	77,350	(4,300)	(5.56%)
6322 Equip maint-service contracts	46,104	273,913	70,310	-	262,674	653,001	551,080	101,921	18.49%
6350 Equipment rental	2,463	201,855	1,707	-	12,990	219,015	221,618	(2,603)	(1.17%)
6360 Fingerprinting Services	81,400	-	-	-	-	81,400	1,200	80,200	6683.33%
6400 Insurance	312,597	-	-	-	-	312,597	264,882	47,715	18.01%
6402 Insurance deductible	10,000	-	-	-	-	10,000	10,000	-	0.00%
6410 Landscaping	-	12,500	-	-	6,000	18,500	8,000	10,500	131.25%
6440 Legal notices	3,500	-	-	-	-	3,500	4,100	(600)	(14.63%)
6451 Legal services-general	100,000	-	-	-	-	100,000	70,000	30,000	42.86%
6452 Legal services-personnel	10,000	-	-	-	-	10,000	12,000	(2,000)	(16.67%)
6453 Legal services-other	3,000	-	-	-	-	3,000	3,600	(600)	(16.67%)
6480 Licenses,titles & inspections	-	6,585	-	-	9,205	15,790	15,205	585	3.85%
6510 Medical exams	200	700	500	-	200	1,600	1,550	50	3.23%
6540 Membership dues	2,573	45	2,930	4,725	-	10,273	12,768	(2,495)	(19.54%)
6600 Other	1,000	1,000	-	-	500	2,500	3,500	(1,000)	(28.57%)
6630 Parking - Management Fee	-	95,100	-	-	-	95,100	95,100	-	0.00%
6635 Parking - Operations and Maint	-	680,688	-	-	-	680,688	578,000	102,688	17.75%
6640 Payment services	7,916	-	-	-	-	7,916	7,472	444	5.94%
6670 Permits & testing	-	4,950	-	-	-	4,950	4,350	600	13.79%
6700 Postage	2,270	-	-	-	-	2,270	2,640	(370)	(14.02%)
6730 Printing	450	-	-	10,000	-	10,450	4,770	5,680	119.08%
6751 Telephone-cellular	3,078	16,200	4,920	2,250	100	26,548	24,263	2,285	9.42%
6752 Telephone	19,524	19,080	6,650	1,159	31,660	78,073	79,300	(1,227)	(1.55%)
6800 Travel & transportation	28,695	13,600	9,575	23,380	-	75,250	76,205	(955)	(1.25%)
6806 Customer care/customer service	-	-	-	-	500	500	500	-	0.00%
6850 Utilities	1,520	12,300	-	-	9,300	23,120	30,680	(7,560)	(24.64%)
6900 Vehicle maintenance	-	58,000	-	-	-	58,000	58,000	-	0.00%
6950 Waste removal	-	12,800	-	-	29,250	42,050	49,700	(7,650)	(15.39%)
TOTAL CONTRACTUAL SERVICES	982,978	1,852,421	827,092	564,064	573,229	4,799,784	4,584,026	215,758	4.71%

Operating Expenses Combined Departmental Budget

CODE/LINE ITEM, All Departments	Dept 04 Fin/Admin	Dept 05 Fac/Maint	Dept 06 Operations	Dept 07 Market/Dev	Dept 08 Terminal	BUDGET FY2022	BUDGET FY2021	\$ Change	% Change
COMMODITIES									
7100 Building repair	-	25,000	-	-	10,000	35,000	35,500	(500)	(1.41%)
7140 Conferences & meetings	8,400	9,500	1,500	1,000	1,800	22,200	21,400	800	3.74%
7200 Equipment	2,500	12,500	8,000	6,000	9,500	38,500	40,550	(2,050)	(5.06%)
7240 Fence/gate	-	10,000	-	-	-	10,000	5,000	5,000	100.00%
7271 Fuel-diesel	-	100,000	-	-	-	100,000	62,000	38,000	61.29%
7272 Fuel-unleaded	-	32,000	-	-	-	32,000	34,000	(2,000)	(5.88%)
7273 Fuel-other	-	2,500	-	-	-	2,500	2,500	-	0.00%
7300 Landscaping	-	1,500	-	-	-	1,500	4,500	(3,000)	(66.67%)
7380 Other	1,200	1,000	-	-	1,000	3,200	3,600	(400)	(11.11%)
7400 Pavement marking	-	77,250	-	-	-	77,250	122,250	(45,000)	(36.81%)
7440 Pavement repair	-	73,000	-	-	-	73,000	42,000	31,000	73.81%
7500 Raw materials	-	3,500	-	-	-	3,500	3,500	-	0.00%
7501 Raw materials-deicing only	-	705,000	-	-	-	705,000	485,000	220,000	45.36%
7540 Signage	-	2,000	-	-	500	2,500	7,000	(4,500)	(64.29%)
7580 Software	2,500	1,000	-	-	-	3,500	7,500	(4,000)	(53.33%)
7600 Subscriptions	3,361	5,049	21,451	4,049	2,589	36,499	36,971	(472)	(1.28%)
7660 Supplies-janitorial	-	2,300	-	-	12,800	15,100	27,000	(11,900)	(44.07%)
7690 Supplies-lighting(airfield)	-	150,000	-	-	-	150,000	183,790	(33,790)	(18.39%)
7720 Supplies-mechanical (airfield)	-	70,000	-	-	-	70,000	60,000	10,000	16.67%
7750 Supplies-office	4,400	1,200	1,500	-	200	7,300	8,000	(700)	(8.75%)
7755 Supplies-Badging/Fingerprinting	10,000	-	-	-	-	10,000	14,000	(4,000)	(28.57%)
7780 Supplies-other	-	8,000	2,500	-	1,000	11,500	10,000	1,500	15.00%
7782 Supplies-hardware	-	10,000	-	-	-	10,000	7,500	2,500	33.33%
7796 Supplies-promotional	-	-	-	15,000	-	15,000	8,000	7,000	87.50%
7810 Supplies-specialty	-	-	16,000	-	-	16,000	16,000	-	0.00%
7830 Supplies-steel stock	-	1,500	-	-	-	1,500	2,000	(500)	(25.00%)
7850 Supplies-storm sewer/drain	-	500	-	-	-	500	3,500	(3,000)	(85.71%)
7880 Supplies-welding	-	3,500	-	-	-	3,500	4,000	(500)	(12.50%)
7901 Maint-licensed vehicles	-	17,000	-	-	-	17,000	17,000	-	0.00%
7902 Maint-equipment	-	120,000	-	-	-	120,000	93,600	26,400	28.21%
TOTAL COMMODITIES	32,361	1,444,799	50,951	26,049	39,389	1,593,549	1,367,661	225,888	16.52%
OTHER									
8400 Glycol retention treatment facility	-	89,400	-	-	-	89,400	84,400	5,000	5.92%
8410 Landfill environmental costs	-	73,000	-	-	-	73,000	73,000	-	0.00%
8415 Property Taxes	-	174,000	-	-	-	174,000	203,000	(29,000)	(14.29%)
TOTAL OTHER	-	336,400	-	-	-	336,400	360,400	(24,000)	(6.66%)
FISCAL YEAR TOTALS	\$ 2,168,698	\$ 6,039,397	\$ 1,865,888	\$ 919,173	\$ 612,618	\$11,605,774	\$10,705,442	\$ 900,332	8.41%

Finance and Administration Department Summary

The Finance and Administration Department is responsible for establishing and maintaining efficient administrative systems and procedures to support the operations of the Authority. The department includes the Executive Director who sets the strategic goals and leads long-term planning.

The department is led by the Deputy Director of Finance and Administration. Department functions include financial planning and analysis, risk management, procurement, property development and grant administration. The Department manages leases for approximately 100 Authority tenants. The Department issues fuel permits, commercial operating agreements, and prepares several annual compliance reports. Other areas of responsibility include all human resource functions including policies and procedures, hiring, labor union negotiations issues, personnel files, and insurance related issues.

Strategic plan objectives, initiatives, goals, and prior year results are as follows:

Strategic Objectives

To ensure the operation and maintenance of a high quality, customer service oriented, financial self-sufficient airport system. To support the Authority by providing exceptional financial and administrative management. Increase and diversify revenue sources. Attract and retain a qualified and talented workforce.

FY2022 Initiatives and Goals

- Maximize non-aeronautical revenues.

Goal: Periodic review of airport rates and fees with the goal remaining competitive to market.

- Provide a work environment that supports professional development, employee advancement and retention.

Goal: Upgrade SAGE financial software to maintain industry standards and increase efficiency.

Goal: Continue to develop individual department training programs and pathways to internal promotion opportunities.

- Complete performance appraisals.

Goal: For all staff to receive performance reviews.

FY2021 Initiatives and Results

- Maximize non-aeronautical revenues.

Result: Paid parking, valet and concession revenue all saw decreases due to the pandemic. Air service recovery has started and all non-aeronautical revenue streams are beginning to rebound.

- Provide a work environment that supports professional development, employee advancement and retention.

Result: Training and conference attendance were on hold due to COVID-19. Several employees utilized tuition reimbursement and professional association memberships to continue their professional growth.

- Complete performance appraisals.

Result: Updated staff performance review forms and process. All staff received performance reviews.

Finance and Administration Department Budget

CODE/LINE ITEM, Department 04	ACTUAL FY2019	ACTUAL FY2020	BUDGET FY2021	ESTIMATE FY2021	BUDGET FY2022	\$Chg/FY21 Budget	%Chg/FY21 Budget
PERSONNEL SERVICES							
5400 Insurance	\$ 85,249	\$ 94,656	\$ 94,005	\$ 94,658	\$ 95,504		
5401 Insurance-retirees	39,809	39,521	40,305	33,311	29,747		
5403 Insurance-OPEB	(35,530)	79,990	-	-	-		
5500 Payroll taxes	68,374	67,096	60,212	59,749	62,200		
5560 Pension contribution	76,185	63,937	85,774	80,794	86,089		
5562 Pension contribution-GASB 68	(287,142)	46,034	-	-	-		
5600 Salaries/wages	796,253	833,556	829,904	792,298	873,376		
5750 Training	5,476	5,385	4,350	2,000	4,120		
5800 Workers compensation insurance	1,188	865	1,162	961	1,223		
5900 Uniforms	-	-	2,500	2,500	1,100		
TOTAL PERSONNEL SERVICES	749,862	1,231,039	1,118,212	1,066,270	1,153,359	35,147	3.14%
CONTRACTUAL SERVICES							
6050 Audit	34,006	38,322	36,810	35,405	35,650		
6140 Conferences and meetings	6,372	7,593	10,200	3,656	9,200		
6160 Consulting services	176,720	202,799	228,500	240,481	225,539		
6201 Energy-electric	22,495	18,589	19,800	19,515	19,000		
6202 Energy-natural gas	9,120	8,170	7,800	7,800	7,300		
6300 Engineering services	83,852	38,069	45,000	44,360	50,000		
6322 Service contracts	47,354	48,624	48,110	45,312	46,104		
6350 Equipment rental	5,391	5,543	5,556	5,884	2,463		
6360 Fingerprinting Services	-	-	1,200	157,250	81,400		
6400 Insurance	203,091	202,352	264,882	241,294	312,597		
6402 Insurance deductible	147	1,000	10,000	-	10,000		
6440 Legal notices	2,753	3,846	4,100	3,893	3,500		
6451 Legal services-general	89,895	67,255	70,000	132,601	100,000		
6452 Legal services-personnel	35,566	19,245	12,000	7,243	10,000		
6453 Legal services-other	1,800	2,459	3,600	3,600	3,000		
6480 Licenses, titles and inspections	27,061	81,000	-	-	-		
6510 Medical exams	55	110	150	390	200		
6540 Membership dues	1,683	2,123	2,663	2,663	2,573		
6600 Other	2,347	1,575	2,000	858	1,000		
6640 Payment services	5,962	7,710	7,472	7,692	7,916		
6700 Postage	2,384	2,174	2,640	2,024	2,270		
6730 Printing	479	561	770	1,073	450		
6751 Telephone-cellular	2,075	2,973	3,300	3,181	3,078		
6752 Telephone-local	21,918	29,030	26,625	17,055	19,524		
6800 Travel and transportation	36,390	21,014	27,995	14,600	28,695		
6850 Utilities	1,457	2,659	1,750	1,750	1,520		
TOTAL CONTRACTUAL SERVICES	820,373	814,795	842,923	999,581	982,978	140,055	16.62%
COMMODITIES							
7140 Conferences and meetings	8,866	7,395	7,800	2,949	8,400		
7200 Equipment	15,098	12,646	3,500	1,201	2,500		
7380 Other	1,229	2,263	1,600	430	1,200		
7580 Software	-	650	4,500	4,500	2,500		
7600 Subscriptions	3,982	3,190	3,388	3,388	3,361		
7750 Supplies-office	6,444	5,084	5,800	2,782	4,400		
7755 Supplies-Badging/Fingerprinting	-	3,849	14,000	8,983	10,000		
TOTAL COMMODITIES	35,618	35,076	40,588	24,232	32,361	(8,227)	-20.27%
DEPARTMENT TOTAL	\$ 1,605,853	\$ 2,080,910	\$ 2,001,723	\$ 2,090,083	\$ 2,168,698	\$ 166,975	8.34%

Facilities and Maintenance Department Summary

The Facilities and Maintenance Department is responsible for maintaining greater than 19 million square feet of runways, taxiways, aprons and roadways, including keeping them free of snow, ice and debris, pavement repair, pavement markings as well as maintaining the airfield lighting system consisting of 3500 plus lighting fixtures and miles of electrical circuits. This also includes maintaining 20 buildings and properties owned by the Airport Authority as well as a large fleet of snow removal equipment and vehicles; directing and coordinating construction projects; and oversight of the glycol retention/treatment facility.

Strategic plan objectives, initiatives, goals, and prior year results are as follows:

Strategic Objectives

Provide a safe and secure airport. Improve and upgrade infrastructure condition. Protect and enhance the environment.

FY2022 Initiatives and Goals

- ➔ Provide a work environment that supports professional development, employee advancement and retention.

Goal: Staff attendance in person or virtually at AAAE and other Maintenance conference.

Goal: Develop an onboarding program similar to the existing RFD Operations format customized to Maintenance.

Goal: Develop classroom, practical shop maintenance and instructor led SRE operator training.

- ➔ Develop facilities capital plan.

Goal: Work with RFD Procurement, Properties Manager, Engineering and other vendors to Inventory and develop a ten-year capital plan for GRAA owned facilities.

- ➔ Implement pavement maintenance plan.

Goal: Develop a five-year capital pavement maintenance plan.

- ➔ Reduce environmental impact with other energy alternatives.

Goal: Replace ramp lighting at and around terminal with energy efficient lighting.

FY2021 Initiatives and Results

- ➔ Make available and encourage relevant training opportunities for department personnel.

Result: Nine staff members attended pavement marking training at Dane County Regional Airport in Madison, Wisconsin. Training was conducted by Sightline, a leader in this industry.

- ➔ Develop facilities capital plan.

Result: This project is still in development.

- ➔ Reduce environmental impact with other energy alternatives.

Result: Terminal parking lot lighting upgrades were completed. 326 fixtures were replaced with a reduction of 44,508 watts in these areas.

Facilities and Maintenance Department Budget

CODE/LINE ITEM, Department 05	ACTUAL FY2019	ACTUAL FY2020	BUDGET FY2021	ESTIMATE FY2021	BUDGET FY2022	\$Chg/FY21 Budget	%Chg/FY21 Budget
PERSONNEL SERVICES							
5400 Insurance	\$ 290,307	\$ 293,030	\$ 291,818	\$ 285,748	\$ 323,276		
5450 Overtime	155,935	114,807	126,520	180,288	163,863		
5451 Double time	46,961	43,516	50,694	58,974	66,359		
5500 Payroll taxes	93,519	98,133	118,555	117,501	131,438		
5560 Pension contribution	108,181	107,841	135,589	135,378	145,874		
5600 Salaries/wages	1,103,803	1,183,439	1,224,103	1,230,339	1,373,435		
5605 Outside labor	12,262	86,758	75,000	75,000	75,000		
5610 Pager pay	7,800	7,800	7,800	7,800	7,800		
5700 Tool allowance	1,150	1,600	1,800	1,800	1,800		
5750 Training	1,456	1,048	14,000	15,822	26,173		
5800 Workers compensation insurance	56,949	64,818	65,135	65,529	71,646		
5900 Uniforms	4,910	6,992	6,300	8,401	9,613		
5901 Uniforms-lost,damaged,replaced	126	176	500	869	500		
5903 Uniforms-protective clothing	5,406	5,546	8,100	8,100	9,000		
TOTAL PERSONNEL SERVICES	1,888,763	2,015,503	2,125,914	2,191,548	2,405,777	279,863	13.16%
CONTRACTUAL SERVICES							
6040 Airfield repair	26,486	39,255	82,500	100,825	32,500		
6100 Building repair	84,004	43,626	25,750	29,983	22,255		
6110 Building repair - MRO	101,265	125,424	135,000	135,000	185,000		
6140 Conferences and meetings	1,349	198	4,250	-	4,250		
6201 Energy-electric	140,265	129,745	125,400	125,400	130,000		
6202 Energy-natural gas	55,091	40,734	39,000	39,000	38,000		
6321 Equip maint-repairs/services	20,421	25,828	30,400	30,400	31,100		
6322 Service contracts	165,498	202,468	211,010	211,010	273,913		
6350 Equipment rental	138,008	221,144	201,950	209,386	201,855		
6410 Landscaping	6,040	382	4,500	4,500	12,500		
6480 Licenses, titles and inspections	1,705	5,185	7,485	7,637	6,585		
6510 Medical exams	2,844	567	700	780	700		
6540 Membership dues	157	6	100	100	45		
6600 Other	32	23	1,000	1,000	1,000		
6630 Parking - management fee	90,563	92,813	95,100	94,500	95,100		
6635 Parking - operations and maintenance	533,374	564,964	578,000	531,592	680,688		
6670 Permits and testing	2,115	3,789	4,350	5,100	4,950		
6751 Telephone-cellular	13,024	13,975	15,072	14,785	16,200		
6752 Telephone-local	18,230	19,602	17,395	19,746	19,080		
6800 Travel and transportation	2,524	5,836	13,600	2,621	13,600		
6850 Utilities	7,264	14,271	17,500	17,500	12,300		
6900 Vehicle maintenance	44,035	25,021	58,000	152,009	58,000		
6950 Waste removal	16,850	17,563	14,700	15,218	12,800		
TOTAL CONTRACTUAL SERVICES	1,471,147	1,592,417	1,682,762	1,748,092	1,852,421	169,659	10.08%
COMMODITIES							
7100 Building repair	41,450	12,410	25,500	25,500	25,000		
7110 Building repair - MRO	788,601	236,557	-	-	-		
7140 Conferences and meetings	26,117	16,110	9,300	2,165	9,500		
7200 Equipment	32,604	31,552	12,250	11,794	12,500		
7240 Fence/gate	80	5,249	5,000	15,312	10,000		
7271 Fuel-diesel	117,578	101,445	62,000	62,000	100,000		
7272 Fuel-unleaded	34,529	28,975	34,000	34,000	32,000		
7273 Fuel-other	2,412	2,473	2,500	2,193	2,500		
7300 Landscaping	2,025	2,402	4,500	4,500	1,500		

Facilities and Maintenance Department Budget

CODE/LINE ITEM, Department 05	ACTUAL FY2019	ACTUAL FY2020	BUDGET FY2021	ESTIMATE FY2021	BUDGET FY2022	\$Chg/FY21 Budget	%Chg/FY21 Budget
7380 Other	-	-	1,000	-	1,000		
7400 Pavement marking	45,621	94,428	122,250	100,000	77,250		
7440 Pavement repair	25,279	45,834	42,000	125,923	73,000		
7500 Raw materials	927	2,200	3,500	3,500	3,500		
7501 Raw materials-deicing only	879,858	711,844	485,000	485,000	705,000		
7540 Signage	1,919	481	2,000	2,000	2,000		
7580 Software	821	549	3,000	1,000	1,000		
7600 Subscriptions	3,827	3,799	5,494	5,494	5,049		
7660 Supplies-janitorial	658	2,397	2,000	1,505	2,300		
7690 Supplies-lighting/electrical (airside)	63,757	112,123	183,790	162,556	150,000		
7720 Supplies-snow removal wafers, blade	72,866	67,182	60,000	60,000	70,000		
7750 Supplies-office	595	1,136	500	2,000	1,200		
7780 Supplies-other	9,130	8,097	6,500	7,592	8,000		
7782 Supplies-hardware	5,438	9,753	7,500	10,000	10,000		
7830 Supplies-steel stock	665	290	2,000	2,000	1,500		
7850 Supplies-storm sewer/drain	191	-	3,500	3,500	500		
7880 Supplies-welding	2,498	3,308	4,000	4,000	3,500		
7901 Maint-licensed vehicles	17,707	24,514	17,000	13,417	17,000		
7902 Maint-equipment	112,876	130,494	93,600	155,580	120,000		
TOTAL COMMODITIES	2,290,030	1,655,602	1,199,684	1,302,531	1,444,799	245,115	20.43%
OTHER							
8400 Glycol retention treatment facility	85,288	92,160	84,400	84,400	89,400		
8410 Landfill and environmental costs	(164,335)	(843)	73,000	194,817	73,000		
8415 Property taxes	282,104	198,356	203,000	203,000	174,000		
TOTAL OTHER	203,057	289,673	360,400	482,217	336,400	(24,000)	-6.66%
DEPARTMENT TOTAL	\$5,852,998	\$5,553,195	\$5,368,760	\$5,724,389	\$6,039,397	\$ 670,637	12.49%

Operations Department Summary

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

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

Strategic plan objectives, initiatives, goals, and prior year results are as follows:

Strategic Objectives

Provide a safe and secure airport. Provide exceptional and continuously improving customer service.

FY2022 Initiatives and Goals

- ➔ Provide a work environment that supports professional development, employee advancement and retention.

Goal: Implement a new performance review process to enhance employee engagement and feedback.

Goal: Provide training opportunities for all operations employees throughout the year.

- ➔ Improve workplace safety.

Goal: Provide high visibility clothing and conduct multiple safety trainings throughout the year.

- ➔ Ensure safe operational status at RFD.

Goal: Continue to invest in friction testing equipment and technology to conduct quicker and more frequent surface inspections in all weather conditions.

- ➔ Implement Safety Management System based on FAA regulations.

Goal: Closely monitor FAA policy making to prepare an SMS plan and attend SMS training.

FY2021 Initiatives and Results

- ➔ Provide a work environment that supports professional development, employee advancement and retention.

Result: Our year-round training program was further enhanced to increase staff training opportunities, further develop the skills and talents of our team and increase staff awareness. Staff received training in Part 139, TSA regulations and emergency management throughout the year.

- ➔ Improve workplace safety.

Result: Completed snow removal planning, training, and coordination to maintain a safe airfield under any winter weather condition.

Operations Department Summary (continued)

- Ensure safe operational status at RFD.

Result: Monitored all policies to ensure RFD remains in compliance with FAR 139, all TSA 1542 regulatory requirements as well as appropriate federal, state, and local regulations as they relate to airport operations.

Result: Successfully implemented COVID prevention measures and achieved ZERO employee transmission and while maintaining 24/7 operational status.

- Implement Safety Management System based on FAA regulations.

Result: Maintained updated understanding of FAA's SMS changes and applied SMS methods to daily operations and construction projects.

Result: Worked with airport staff, airport fire department, contract security and responding mutual aid agencies to successfully test our incident command structure virtually, multiple times, during COVID to satisfy our annual tabletop exercises.

Operations Department Budget

CODE/LINE ITEM, Department 06	ACTUAL FY2019	ACTUAL FY2020	BUDGET FY2021	ESTIMATE FY2021	BUDGET FY2022	\$Chg/FY21 Budget	%Chg/FY21 Budget
PERSONNEL SERVICES							
5400 Insurance	\$ 110,287	\$ 122,996	\$ 145,605	\$ 134,558	\$ 156,281		
5450 Overtime	52,806	55,520	53,279	85,661	69,414		
5451 Double time	31,463	36,930	28,166	30,428	29,254		
5500 Payroll taxes	31,485	37,354	43,906	42,548	52,830		
5560 Pension contribution	37,209	41,085	52,819	46,553	59,705		
5600 Salaries/wages	358,936	429,216	468,180	452,537	577,309		
5750 Training	10,995	3,238	14,500	3,420	14,500		
5800 Workers compensation insurance	17,484	18,446	20,221	17,924	24,653		
5900 Uniforms	2,251	732	2,500	2,500	1,200		
5901 Uniforms-lost,damaged,replaced	108	-	-	158	-		
5903 Uniforms-protective clothing	1,766	2,673	2,700	2,700	2,700		
TOTAL PERSONNEL SERVICES	654,788	748,191	831,876	818,988	987,845	155,969	18.75%
CONTRACTUAL SERVICES							
6140 Conferences and meetings	1,420	2,068	5,500	-	5,500		
6161 ARFF contractual services	653,347	669,113	685,833	689,902	700,000		
6163 LEO contractual services	18,358	31,083	35,000	27,916	25,000		
6322 Service contracts	49,555	44,507	70,310	70,310	70,310		
6350 Equipment rental	1,222	1,216	1,212	1,338	1,707		
6510 Medical exams	522	156	500	250	500		
6540 Membership dues	1,018	1,871	2,930	2,930	2,930		
6751 Telephone-cellular	4,915	4,450	4,223	4,899	4,920		
6752 Telephone-local	3,383	5,912	5,835	7,006	6,650		
6800 Travel and transportation	4,573	2,998	9,575	-	9,575		
TOTAL CONTRACTUAL SERVICES	738,312	763,375	820,918	804,552	827,092	6,174	0.75%
COMMODITIES							
7140 Conferences and meetings	663	322	1,500	-	1,500		
7200 Equipment	14,730	8,707	11,800	9,267	8,000		
7580 Software	24	-	-	-	-		
7600 Subscriptions	12,197	29,035	21,451	21,451	21,451		
7750 Supplies-office	2,788	832	1,500	520	1,500		
7780 Supplies-other	2,389	366	2,500	85	2,500		
7810 Supplies-specialty	28,895	4,457	16,000	4,360	16,000		
TOTAL COMMODITIES	61,687	43,717	54,751	35,682	50,951	(3,800)	-6.94%
DEPARTMENT TOTAL	\$1,454,786	\$1,555,284	\$1,707,545	\$1,659,222	\$1,865,888	\$ 158,343	9.27%

Marketing and Development Department Summary

The Marketing and Development Department is responsible for ensuring consistent awareness to consumers and businesses regarding RFD's high-value, low-cost, hassle-free experience to grow business and revenue opportunities at the Airport. The Department identifies appropriate locations for industrial, commercial and business development opportunities that advance long-term economic viability for the Airport and local communities. Staff is charged with actively engaging in discussions with domestic and international airlines about increasing and introducing new passenger and cargo services at RFD.

Strategic plan objectives, initiatives, goals, and prior year results are as follows:

Strategic Objectives

Expand passenger service to respond to regional demand. Expand cargo service to increase economic impact and viability. Provide exceptional and continuously improving customer service. Excel as a community partner for the region. Increase and diversify revenue sources.

FY2022 Initiatives and Goals

- ➔ Increase land development and maximize airport property occupancy.
Goal: Construction of a new 100,000 sf International Cargo Facility. Develop plan to maximize further international cargo facility growth.
- ➔ Increase cargo volume with existing and potential cargo operators. Increase number of cargo operations with existing and new operators.
Goal: Work with outside cargo and passenger consultants to develop healthy growth strategies in a post-pandemic world.
- ➔ Increase international cargo activity.
Goal: Continue to grow cargo volumes at a greater than 15% rate and grow passenger numbers back to pre-pandemic 2019 levels
- ➔ Maintain competitive rates and charges to retain current providers and attract new passenger and cargo service.
Goal: Identify new revenue streams for both passenger and cargo operations.
- ➔ Improve customer interaction opportunities to strengthen customer relationship.
Goal: Continue to respond to social media inquiries in a timely manner.
- ➔ Develop collaborative opportunities for promotion, education and recruitment through various businesses and community events and tours.
Goal: Community sponsorship and host or participate in community events.

FY2021 Initiatives and Results

- ➔ Increase land development and maximize airport property occupancy.
Result: Began construction on a new 90,000 sf International Cargo Facility, which was fully leased prior to a shovel being placed in the ground.
- ➔ Improve customer interaction opportunities to strengthen customer relationship.
Result: Respond to any inquiries on Facebook, Twitter or Instagram in a timely manner.

Marketing and Development Department Summary (continued)

- Increase cargo volume with existing and potential cargo operators. Increase number of cargo operations with existing and new operators.

Result: Cargo volumes continued to climb in all sectors due to increased flight activity and new international entrants. Landed weight ended the year up 16% and RFD became the 17th largest cargo airport in the US.

- Establish international and domestic seasonal flights in support of the travel industry.

Result: The pandemic devastated the airline passenger market. Passenger numbers ended the year down and international service provided through Apple Vacations were suspended.

- Reemphasize our service offerings to our local market and high-volume travel areas outside of our traditional catchment area.

Result: Placed several print and digital advertisements in International Cargo publications.

- Develop collaborative opportunities for promotion, education and recruitment through various businesses and community events and tours.

Result: Sponsor, host or participate in the following yearly events: Toys for Tots, Festival of Lights, Tough Mudder, Labor Day parade, Fourth of July parade, Job Fairs, and Terminal tours.

- Identify opportunities to collaborate with organizations to attract complimentary services to airport passengers and tenants.

Result: Continued to work with our regional partners to increase the economic impact to our local communities.

Marketing and Development Department Budget

CODE/LINE ITEM, Department 07	ACTUAL FY2019	ACTUAL FY2020	BUDGET FY2021	ESTIMATE FY2021	BUDGET FY2022	\$Chg/FY21 Budget	%Chg/FY21 Budget
PERSONNEL SERVICES							
5400 Insurance	\$ 43,691	\$ 40,624	\$ 41,637	\$ 39,880	\$ 42,038		
5500 Payroll taxes	16,206	16,796	17,903	17,185	18,943		
5560 Pension contribution	19,717	18,512	22,575	22,529	22,354		
5600 Salaries/wages	206,277	235,286	234,909	235,525	245,381		
5800 Workers compensation insurance	252	240	329	283	344		
TOTAL PERSONNEL SERVICES	286,143	311,458	317,353	315,402	329,060	11,707	0.00%
CONTRACTUAL SERVICES							
6021 Ad-Television	\$ 48,253	\$ 275,504	\$ 145,000	\$ 105,675	\$ 145,000		
6022 Ad-Radio	22,525	-	-	-	-		
6025 Ad-Promotions/sponsorships/events	12,312	16,305	14,250	9,250	9,300		
6026 Ad-Print	2,500	-	-	-	-		
6027 Internet/web	4,736	4,375	16,700	10,000	25,000		
6121 Incentives-awareness	3,050	2,550	5,000	1,000	5,000		
6140 Conferences and meetings	26,062	18,979	20,700	-	20,250		
6150 New airline service support	-	-	150,000	-	150,000		
6160 Consulting services	349,585	280,115	306,600	149,334	168,000		
6540 Membership dues	4,279	6,598	7,075	7,075	4,725		
6670 Permits and testing	-	61	-	-	-		
6730 Printing	65	197	4,000	3,166	10,000		
6751 Telephone-cellular	3,016	2,859	1,250	2,127	2,250		
6752 Telephone-local	551	1,011	1,000	1,223	1,159		
6800 Travel and transportation	19,740	29,841	25,035	4,005	23,380		
TOTAL CONTRACTUAL SERVICES	497,159	638,397	696,610	292,855	564,064	(132,546)	-19.03%
COMMODITIES							
7140 Conferences and meetings	1,162	1,015	1,000	-	1,000		
7200 Equipment	4,161	89	3,500	-	6,000		
7600 Subscriptions	885	1,655	3,800	3,800	4,049		
7796 Supplies-promotional	14,146	10,529	8,000	4,000	15,000		
TOTAL COMMODITIES	20,354	13,288	16,300	7,800	26,049	9,749	59.81%
DEPARTMENT TOTAL	\$ 803,656	\$ 963,143	\$ 1,030,263	\$ 616,057	\$ 919,173	\$ (111,090)	-10.78%

Terminal Services Department Summary

The Domestic and International Terminal travel areas are the responsibility of the Terminal Services department. The Terminal Service department focuses first on the customer at RFD, ensuring that our passengers are given top priority and unprecedented service. Operations and Facilities and Maintenance departments provide support to the Terminal Services department. The Airport Terminals are essential transportation facilities in this region. It is our goal to provide a safe and efficient facility.

Strategic plan objectives, initiatives, goals, and prior year results are as follows:

Strategic Objectives

Provide exceptional and continuously improving customer service. Provide a safe and secure airport. Improve and upgrade infrastructure condition.

FY2022 Initiatives and Goals

- Improve customer interaction opportunities to strengthen customer relationship.

Goal: Continue growing the RFD Ambassador program to provide world class personal service from curb to gate and back.

Goal: Provide airport tours either in person or virtually.

- Continually improve customer convenience and hospitality to welcome passengers.

Goal: Provide clean sterile environment for passengers as the COVID-19 pandemic continues.

FY2021 Initiatives and Results

- Improve customer interaction opportunities to strengthen customer relationship.

Result: Maintained Ambassador program with a total of 12 Ambassadors. Most of the Ambassadors have been with RFD for more than 4 years.

Result: Most tour groups postponed their 2020 tours and are now booking tours for 2021. In lieu of providing tours to local organizations, we participated in virtual visits to promote awareness of the Airport and our new amenities.

- Continually improve customer convenience and hospitality to welcome passengers.

Results: Throughout the COVID pandemic, RFD has maintained a sterile environment in the terminal with enhancements that include Plexiglass dividers, increased janitorial sanitation, hand sanitizer, social distancing placards as well as providing masks.

Result: Enhanced customer experience and increased passenger security with the installation of a new TSA Body Scanner, we now have 2, to increase throughput and reduce screening wait time.

Result: Metro Security has added an EOD K9, Explosive Ordnance Detection, to enhance passenger security and well-being in and around the terminal.

Terminal Services Department Budget

CODE/LINE ITEM, Department 08	ACTUAL FY2019	ACTUAL FY2020	BUDGET FY2021	ESTIMATE FY2021	BUDGET FY2022	\$Chg/FY21 Budget	%Chg/FY21 Budget
CONTRACTUAL SERVICES							
6100 Building repair	\$ 45,409	\$ 9,543	\$ 15,000	\$ 31,944	\$ 15,000		
6201 Energy-electric	112,667	122,202	125,400	128,400	130,500		
6202 Energy-natural gas	21,149	26,176	31,200	31,200	23,400		
6321 Equip maint-repairs/services	18,722	42,161	46,950	45,000	41,950		
6322 Service contracts	182,271	190,333	221,650	221,650	262,674		
6350 Equipment rental	10,592	10,020	12,900	12,900	12,990		
6410 Landscaping	5,961	3,031	3,500	9,657	6,000		
6480 Licenses, titles and inspections	5,594	3,537	7,720	7,720	9,205		
6510 Medical exams	158	220	200	100	200		
6600 Other	-	-	500	500	500		
6751 Telephone-cellular	450	364	418	281	100		
6752 Telephone-local	17,268	28,782	28,445	32,555	31,660		
6806 Customer care/customer service	609	44	500	-	500		
6850 Utilities	10,551	11,164	11,430	11,430	9,300		
6950 Waste removal	26,615	26,048	35,000	13,470	29,250		
TOTAL CONTRACTUAL SERVICES	458,013	473,625	540,813	546,807	573,229	32,416	5.99%
COMMODITIES							
7100 Building repair	12,310	9,810	10,000	10,000	10,000		
7140 Conferences and meetings	1,789	1,453	1,800	845	1,800		
7200 Equipment	5,763	2,613	9,500	5,000	9,500		
7300 Landscaping	325	42	-	177	-		
7380 Other	-	338	1,000	100	1,000		
7540 Signage	163	1,081	5,000	4,227	500		
7600 Subscriptions	1,945	2,263	2,838	2,838	2,589		
7660 Supplies-janitorial	17,091	8,297	25,000	10,039	12,800		
7750 Supplies-office	270	538	200	206	200		
7780 Supplies-other	242	1,011	1,000	500	1,000		
TOTAL COMMODITIES	39,899	27,444	56,338	33,932	39,389	(16,949)	-30.08%
DEPARTMENT TOTAL	\$ 497,912	\$ 501,069	\$ 597,151	\$ 580,740	\$ 612,618	\$ 15,467	2.59%

Non-Operating Revenues and Expenses Budget

CODE/LINE ITEM	ACTUAL FY2019	ACTUAL FY2020	BUDGET FY2021	ESTIMATE FY2021	BUDGET FY2022
NON-OPERATING REVENUE					
9100 Interest income	\$ 43,072	\$ 32,452	\$ 23,000	\$ 5,259	\$ 6,000
9105 Interest income-other	-	-	-	-	6,266
9200 Taxes-property (operating levy)	2,928,995	2,974,630	2,991,528	2,991,528	3,081,884
9205 Property tax interest (operating)	-	6,782	-	-	-
9250 Taxes-corporate replacement	562,589	531,766	500,000	646,000	550,000
9260 Gain on sale of assets	920	103,810	10,000	332,119	10,000
9270 Passenger facility charges	551,280	487,044	190,562	299,350	347,642
9280 AIP Grant Reimbursement	1,878,878	208,764	8,258,103	-	-
9281 Current capital contributions-Federal	7,150,847	3,777,977	13,292,482	18,310,540	8,615,637
9282 Intergovernmental contributions	372,136	295,404	912,084	337,979	319,185
9283 Current capital contributions-State	14,872,049	45,781	217,360	949,942	-
9284 Other capital contributions	847,000	-	-	2,572,957	-
9286 Current Capital Contributions-CARES Act	-	-	-	7,134,748	-
9287 Reimbursement Grant-CARES Act	-	-	-	7,299,851	-
TOTAL REVENUE	29,207,767	8,464,413	26,395,119	40,880,273	12,936,614
NON-OPERATING EXPENSES					
9500 Interest expense	1,417,329	947,363	1,403,282	1,403,468	1,471,356
9800 Other debits	183	-	-	-	-
9810 Loss on asset disposal	7,088	-	-	5,320	-
TOTAL EXPENSES	1,424,601	947,363	1,403,282	1,408,788	1,471,356
NET TOTAL	\$ 27,783,167	\$ 7,517,050	\$ 24,991,837	\$ 39,471,486	\$ 11,465,258

Capital Improvement Program Summary

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

Funding sources 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 FY2022 CIP capital expenditures and detail of individual items to follow.

#	Project Title	Project Description	Authority Share	Total Project Cost
Airside Projects				
1	Construct South Cargo Apron Expansion	Increases international capability of Midfield with five 747 parking positions.	\$ 15,099,000	\$ 17,000,000
2	Midfield building	100,000 square foot building located in the midfield	12,000,000	12,000,000
3	Midfield road	Road to new midfield cargo buildings	3,000,000	3,000,000
4	Expand NW Cargo Apron – Phase 4	Expansion for ten 747-8 aircraft	-	6,214,637
Total Airside Projects			\$ 30,099,000	\$ 38,214,637
Maintenance Projects				
5	Snow Removal Equipment	Replacement unit for SRE fleet (1 piece)	\$ 50,000	\$ 500,000
6	Energy Upgrades	Energy efficiency projects (FIS/terminal ramp lights, Kaney ramp, Cessna)	120,000	120,000
7	2 wheel loaders	2 wheel loaders	100,000	100,000
8	Truck - Ford F350	New Ford F350	55,000	55,000
9	Acquire PFAS Equipment	Acquire PFAS Equipment for Testing per Part 139	-	50,000
10	Small airside plows	2 replacement plows	20,000	20,000
Total Maintenance Projects			\$ 345,000	\$ 845,000
Operations Projects				
11	Communication Systems	Rehab and expand airport radio network	\$ 225,000	\$ 225,000
12	Asset Management	Incorporates asset management to all properties	160,000	160,000
13	Security System Infrastructure	Continued expansion of access and video control	25,000	25,000
Total Operations Projects			\$ 410,000	\$ 410,000
Administration Projects				
14	Accounting Software	Upgrade Accounting software	\$ 30,000	\$ 30,000
Total Administration Projects			\$ 30,000	\$ 30,000
Terminal Projects				
15	Riding Floor Scrubber	Factory Cat GTX v2.0 Rider Scrubber	\$ 16,643	\$ 16,643
Total Terminal Projects			\$ 16,643	\$ 16,643
Total			\$ 30,900,643	\$ 39,516,280

Capital Improvement Program Summary (continued)

American Rescue Plan Act of 2021 (ARPA)

After the initial capital budget was approved by the Board of Commissioners, The Authority was informed that they would be receiving \$4.9 million from the Airport Rescue Grant as part of ARPA to continue the efforts to mitigate the impact of the COVID-19 pandemic. The following projects were added to the capital improvement plan.

#	Project Title	Project Description	Authority Share	Total Project Cost
Landside Projects				
1	Airport Signage	Terminal Signage (monument signs, entrance sign, etc.)	\$ 60,000	\$60,000
2	Terminal Lot Layout	Changes to parking lot layout to improve flow (cell phone lot, valet)	60,000	60,000
3	Terminal Landscaping	Terminal Landscaping (pet relief area and seating area)	30,000	30,000
Total Landside Projects			\$ 150,000	\$ 150,000
Maintenance Projects				
4	UPS re-cabling of lighting	Replacing twenty plus year old cabling for UPS ramp lighting	\$ 500,000	\$ 500,000
5	Tractor	Agricultural Tractor, Multi Purpose Wide Area Mowing/Snow Removal	150,000	150,000
6	Dump truck/water truck	Dump truck to replace vehicles 6 (5-ton dump truck w/spreader and plow) and vehicle 34 (1979 GMC Water truck)	120,000	120,000
Total Maintenance Projects			\$ 770,000	\$ 770,000
Total			\$ 920,000	\$ 920,000

CIP Operating Budget Cost Impact

The following table summarizes the projected annual impact of the fiscal year 2022 CIP on The Authority's operating budget. The list contains only those projects with a known and quantifiable operating impact. For the full list of projects, please see the Capital Improvement Program Summary.

FY2022 Projects	Operating Impact	Annual Amount
Airside Projects		
Midfield building	Lease revenue net of debt payment	386,000
Total Airside Projects		\$ 386,000
Maintenance Projects		
2 wheel loaders	Eliminate rental charges	90,000
Snow Removal Equipment	Repairs and staff time	55,000
Energy Upgrades	Utility usage and staff time	16,400
Tractor	Staff time and efficiency	9,900
UPS re-cabling of lighting	Staff time for repairs	5,500
Small airside plows	Staff time and efficiency	2,200
Dump truck/water truck	Staff time for repairs and maintenance	2,200
Total Maintenance Projects		\$ 181,200
Operations Projects		
Asset Management	Staff time	5,000
Total Operations Projects		\$ 5,000
Total Operating Budget Cost Impact		\$ 572,200

Five-Year Capital Improvement Projects

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

Capital projects are prioritized based on availability of federal funding, condition of assets, safety concerns and security related needs. Capital improvements are evaluated to determine the effect on operating and maintenance costs. Based on the current Transportation Improvement Program and an assessment of needs, below is a tentative schedule of the anticipated capital improvements for the next five fiscal years.

DESCRIPTION	BUDGET FY22	ESTIMATED FY23	ESTIMATED FY24	ESTIMATED FY25	ESTIMATED FY26
GRAA CONTRIBUTIONS					
Admin Projects	\$ 30,000	\$ -	\$ -	\$ -	\$ -
Airside Projects	30,099,000	1,335,000	1,485,000	1,342,500	1,335,000
Landside Projects	-	100,000	1,100,000	-	-
Maintenance Projects	345,000	277,000	192,000	292,000	120,000
Operations Projects	410,000	380,000	55,000	55,000	55,000
Terminal Projects	16,643	-	-	-	-
GRAA TOTAL	30,900,643	2,092,000	2,832,000	1,689,500	1,510,000
FEDERAL AND STATE GRANTS					
Airside Projects	8,115,637	34,415,000	21,660,000	19,807,500	19,665,000
Landside Projects	-	900,000	9,900,000	-	-
Maintenance Projects	500,000	-	-	1,170,000	-
Operations Projects	-	810,000	-	-	-
FEDERAL TOTAL	8,615,637	36,125,000	31,560,000	20,977,500	19,665,000
ESTIMATED TOTAL	\$ 39,516,280	\$ 38,217,000	\$ 34,392,000	\$ 22,667,000	\$ 21,175,000

ARPA Act Capital Projects

DESCRIPTION	BUDGET FY22	ESTIMATED FY23	ESTIMATED FY24	ESTIMATED FY25	ESTIMATED FY26
GRAA CONTRIBUTIONS					
Admin Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Airside Projects	-	-	-	-	-
Landside Projects	150,000	-	-	-	-
Maintenance Projects	770,000	-	-	-	-
Operations Projects	-	-	-	-	-
Terminal Projects	-	-	-	-	-
GRAA TOTAL	\$ 920,000	-	-	-	-



Exhibit 1-Tentative Budget and Appropriation Ordinance

Tentative Budget and Appropriation Ordinance GREATER ROCKFORD AIRPORT AUTHORITY RESOLUTION NO. 21-14

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

WHEREAS, in accordance with 50 ILCS 330/3, the Authority is required to adopt a Tentative Budget and Appropriation Ordinance for the fiscal year, beginning May 1, 2021 and ending April 30, 2022;

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, 2021 and ending April 30, 2022 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, 2021 and ending April 30, 2022 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 22, 2021 at 5:00 p.m. at the Administrative Offices of the Authority;
4. The Authority hereby directs its staff to publish in a newspaper of general circulation notice of the public hearing on the Tentative Budget and Appropriation Ordinance, provided that said notice shall be published at least thirty (30) days prior to the date set by the Authority for the public hearing.

Exhibit 1-Tentative Budget and Appropriation Ordinance (continued)

Tentative Budget and Appropriation Ordinance

RESOLUTION NO. 21-14

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

Commissioner Schablaske moved, seconded by Commissioner DalSanto that Resolution Number 21-14 be adopted.

	<u>Vote</u>		<u>Vote</u>
Paul Cicero	<u>aye</u>	Mike Schablaske	<u>aye</u>
Leslie West	<u>aye</u>	Tom Myers	<u>aye</u>
Tom Dal Santo	<u>aye</u>	Tonya Lamia	<u>aye</u>
Pat Agnew	<u>aye</u>		

ADOPTED this 25th day of February 2021 by the Chairman and the Board of Commissioners of the Greater Rockford Airport Authority, Winnebago County, Illinois.

(Signed February 25, 2021)
Paul R. Cicero, Chairman

ATTEST:

(Signed February 25, 2021)
Thomas Myers, Vice Chairman

Exhibit 2-Rates and Charges

Chicago Rockford International Airport (RFD) Rates and Charges Effective June 1, 2019

Terminal Usage fee *(includes use of ramps, jetway, baggage claim & public safety fee)*

Signatory and/or scheduled Airlines	\$65.00
Non-Signatory and/or charter flights	\$200.00

International Arrival - When per pax fee is not expected to cover the costs of the CBP reimbursable program the airline will be billed the actual costs as invoiced by CBP to the authority. \$15 per pax

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

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

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

Landing Fee

Signatory

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

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

Non-Signatory

Non-signatory rates will apply to non-based, non-tenant operators who do not provide scheduled service. \$4.504 /1000lbs

Landing fees apply to all aircraft except based aircraft and transient single engine piston aircraft.

Aircraft Parking Fee (excluding active overnight aircraft) Fee will be charged after 12 hours or overnight

Based on size of aircraft. The following fees will not apply to general aviation or corporate aircraft.

Group 1	\$10.00/day
Group 2	\$100.00/day
Group 3	\$250.00/day
Group 4	\$350.00/day
Group 5	\$425.00/day
Group 6	\$500.00/day

Longterm parking rates are subject to agreement and availability.

Fuel Flowage Fees

Class A

Permit \$1,125.00

Flowage Fee \$0.10/gallon

Class B

Permit \$600.00

Flowage Fee \$0.11/gallon

Class C

Permit \$375.00

Flowage Fee \$0.11/gallon

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

Exhibit 2-Rates and Charges (continued)

Commercial operating permit-per square foot	\$0.28
Commercial operating permit/Non-tenant (base fee)	\$250.00
Commercial operating permit/Non-tenant (additional per badge fee)	\$250.00
International rubbish fee	
4x4 hopper (200 gallons)	\$460.00
Black cart (60 gallons)	\$105.00
Gray cart (40 gallons)	\$85.00
User is ultimately responsible for fines incurred as of the result of use (IEPA, CBP, Dept of Agriculture, etc.)	
Badging Fees	
Secure, Sterile & AOA w/SIDA endorsement	
Original issue badge	\$100.00
Badge renewal	\$50.00
1st lost badge with re-issue	\$250.00
2nd lost badge with re-issue	\$500.00
3rd lost badge with re-issue	\$1,000.00
After 3 lost badges, no badge may be reissued	
Per company: After 5 lost badges, all reissues will be	\$500.00
Background check and CHRC letter for non-issued badges	\$75.00
Testing fee (additional endorsements or retesting)	\$25.00
No shows for badging appointments	\$25.00
Fee for background check resubmission, over 30 days	\$50.00
Upgrade to SIDA from AOA	\$60.00
AOA	
Original issue badge	\$50.00
Badge renewal	\$25.00
1st lost badge with re-issue	\$150.00
2nd lost badge with re-issue	\$300.00
3rd lost badge with re-issue	\$600.00
After 3 lost badges, no badge may be reissued	
Fee for background check resubmission, over 30 days	\$25.00
Vehicle registration initial fee (inside the fence)	\$25.00
Vehicle registration renewal fee	\$5.00
Vehicle registration renewal late fee	\$25.00
Testing fee (additional endorsements or retesting)	\$25.00
No shows for badging appointments	\$25.00
Not returned or lost badges (all types)	\$250.00
Fingerprint fee	
Fingerprint fee (non-badged)	\$50.00
Fingerprint fee plus required follow up investigation if necessary	\$75.00/hr

Exhibit 2-Rates and Charges (continued)

Fines

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

Service Fees

Escort fee per 1 hour minimum - billed in hour increments	\$75.00
Maintenance fee for snow removal (minimum 1 hour)	\$100.00/hr
Equipment Usage fee/per hour plus labor fee	\$100.00/hr
RFD labor fee -/per hour plus parts/equipment	
Base	\$75.00/hr
Skilled	\$95.00/hr
Administration	\$95.00/hr
Irregular Operations Support Fee	\$100.00/hr

Exhibit 3-Statistics

Airport Authority Area	Located entirely within Winnebago County, Illinois, the Authority Area includes, Rockford, Machesney Park, Loves Park, Cherry Valley, Roscoe, New Milford and some unincorporated areas	
Airport Location	Southwest quadrant of the City of Rockford 4 miles south of downtown Rockford, IL 80 miles WNW of O'Hare International Airport	
Access	Interstate 90 and 39 U.S. Highway 20 Illinois Route 2 and 251	
Area	3,000 acres	
Elevation	742 ft. above sea level LAT 42 11" 36" (42 degrees, 11 minutes and 36 seconds) LNG 89 05' 50" (89 degrees, 05 minutes and 50 seconds)	
Airport Code	RFD	
Runways	Runway 1/19, 8,199' X 150', ILS Category I Runway 7/25, 10,004' x 150', ILS Category II/III	
Tower	TRSA 24/7-365	
FBOs	Emery Air, Inc., North American/Pride	
MROs	Chronos Aviation LLC and AAR Corp.	
Scheduled Passenger Service	Allegiant Airlines and Apple Vacations	
Terminal	Airlines	2,211 sq. ft.
	Tenants	4,443 sq. ft.
	Public/Common	72,107 sq. ft.
	Mechanical	<u>7,714 sq. ft.</u>
	Total	86,475 sq. ft.
	Number of Passenger Gates	5
	Number of Loading Bridges	5
	Number of Concessionaires in terminal	1
	Number of rental car agencies in terminal	3
Car Rental Agencies	Avis and Enterprise	
Parking	Short-Term	1,750
	Rental Cars	190
	Employees	54

Exhibit 3-Statistics (continued)

Cargo	UPS Buildings	670,000 sq. ft.
	International Cargo Building	120,000 sq. ft.
	Airside Cross dock Buildings	48,600 sq. ft.

International Customs/Immigration Federal Inspection Service Facility

Service Area
 Population within Authority Area, 282,572
 Population within 25 miles, 740,000
 Population within 60-minute drive, 2.5 million
 Population within 90-minute drive, 8.4 million

**Airport Authority Area
 Equalized Assessed Valuation**

		% Change
2016	\$2,624,282,000	
2017	\$2,680,628,000	2.15%
2018	\$2,787,979,000	4.00%
2019	\$2,963,183,000	6.28%
2020	\$3,122,476,000	5.38%

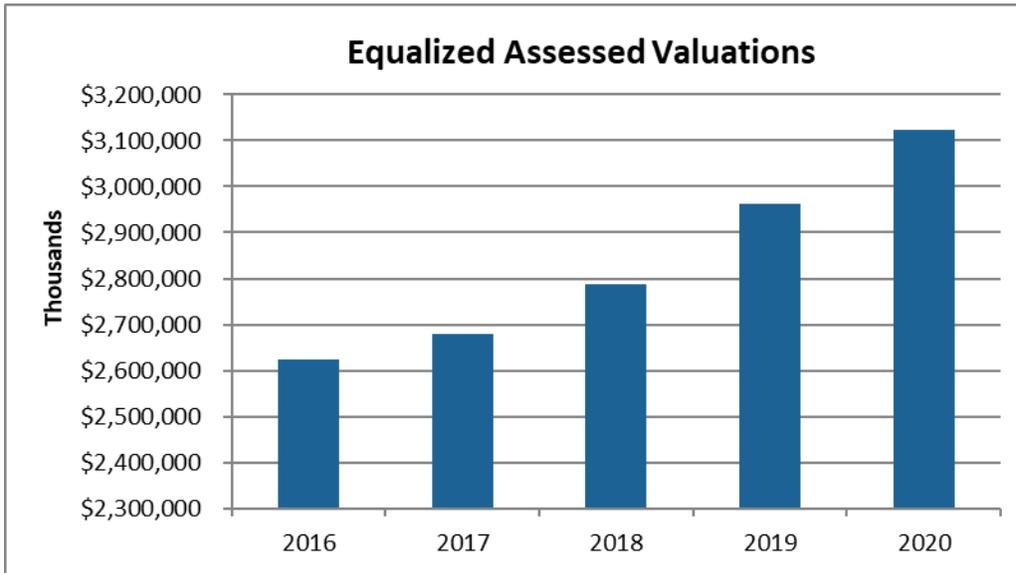


Exhibit 3-Statistics (continued)

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

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

Airport Operations

	<u>CY2016</u>	<u>CY2017</u>	<u>CY2018</u>	<u>CY2019</u>	<u>CY2020</u>
Air Carrier	8,898	12,204	17,810	19,541	22,380
Air Taxi	1,388	1,363	1,289	1,223	723
GA Local	6,864	9,051	5,375	5,820	6,113
GA Itinerant	15,251	15,151	14,488	13,457	12,514
Military	1,955	1,693	1,496	1,357	1,031
Total	34,356	39,462	40,458	41,398	42,761

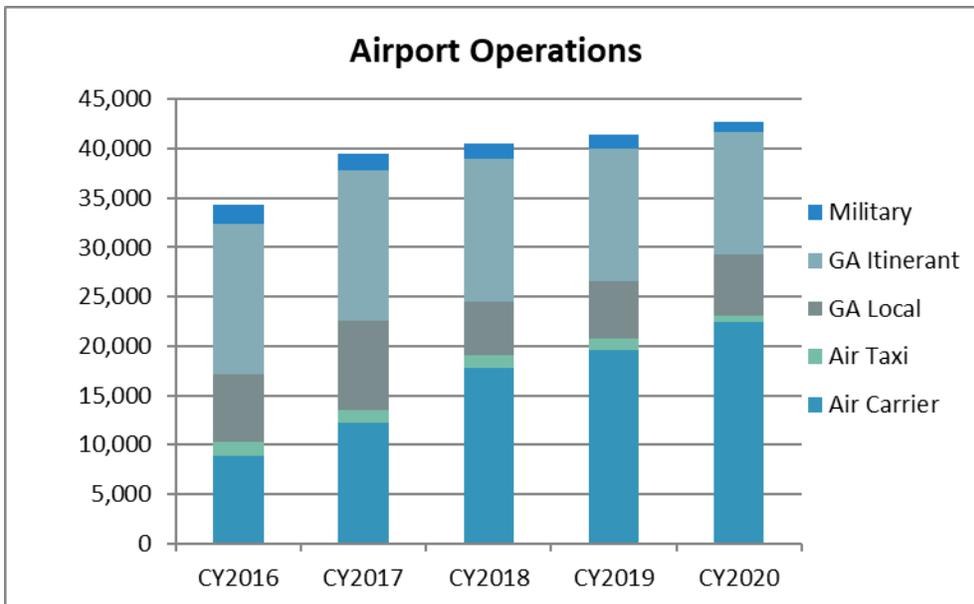
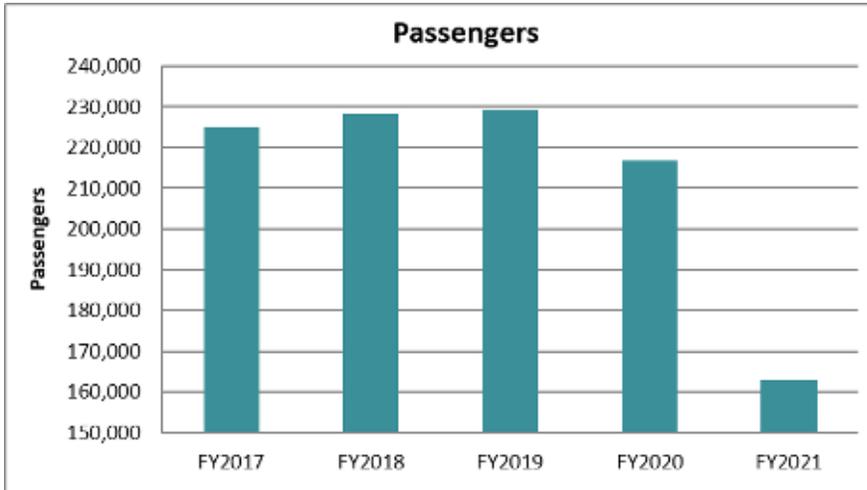


Exhibit 3-Statistics (continued)

Passengers

		% Change
FY2017	225,085	
FY2018	228,276	1.42%
FY2019	229,199	0.40%
FY2020	216,868	-5.38%
FY2021	163,029	-24.83%



Cargo Aircraft Landed Weight (lbs.)

		% Change
FY2017	1,028,789,640	
FY2018	1,668,351,840	62.17%
FY2019	2,146,277,900	28.65%
FY2020	2,574,036,170	19.93%
FY2021	2,875,266,440	11.70%

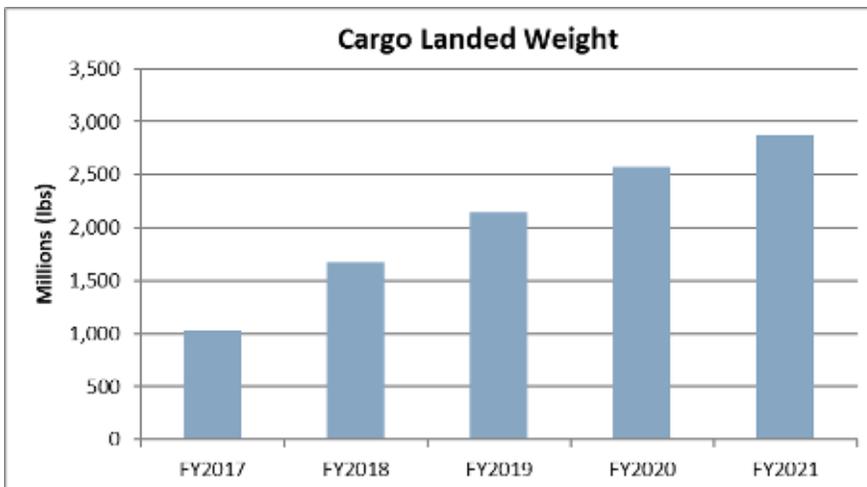
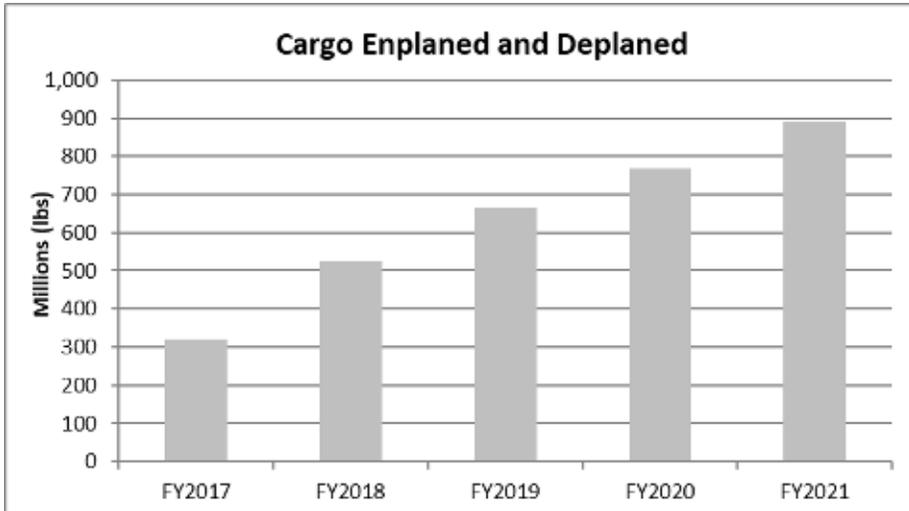


Exhibit 3-Statistics (continued)

Cargo Enplaned and Deplaned (lbs.)

		% Change
FY2017	320,413,536	
FY2018	526,264,541	64.25%
FY2019	665,416,248	26.44%
FY2020	769,586,062	15.65%
FY2021	890,733,886	15.74%



Fuel Flowage (gallons)

		% Change
FY2017	13,104,477	
FY2018	17,957,741	37.04%
FY2019	25,495,761	41.98%
FY2020	27,297,232	7.07%
FY2021	34,414,791	26.07%

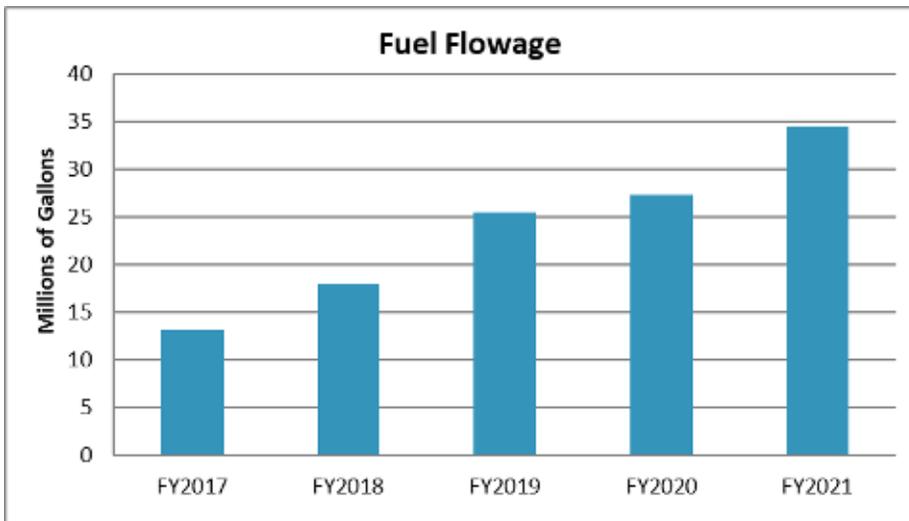


Exhibit 4-Budget and Appropriation Ordinance (continued)

ORDINANCE NO. 21-02

GREATER ROCKFORD AIRPORT AUTHORITY BUDGET AND APPROPRIATION ORDINANCE

FOR THE FISCAL YEAR
BEGINNING May 1, 2021 AND ENDING April 30, 2021

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, 2022, and there is included in the appropriated amounts funds derived from other sources than local taxation, and which may be spent for the benefit of the Authority without actually being received and expended by it.

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

Placed on file
for Public Inspection March 18, 2021

Notice of Public Hearing
Published on March 18, 2021

Public Hearing held April 22, 2021
(at 5:00 p.m. Central Daylight
Savings time, pursuant to Notice)

Section 2. Appropriations.

For the fiscal year ending April 30, 2022, there is hereby appropriated for the corporate purposes of the Greater Rockford Airport Authority the total sum of \$13,515,480 which sum of money is deemed necessary to pay the costs of operating and maintaining the Greater Rockford Airport, and other expenses of the Authority, the purposes of each such appropriation being specified in the attached Budget document.

Exhibit 4-Budget and Appropriation Ordinance (continued)

Section 3. Filing with County Clerk.

That a certified copy of this Ordinance shall be filed with the County Clerk on or before June 30, 2021 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 Schablaske and seconded by Commissioner Agnew.

Roll Call

Paul R. Cicero	<u>aye</u>	Leslie West	<u>aye</u>
Thomas Dal Santo	<u>absent</u>	Michael Schablaske	<u>aye</u>
Thomas Myers	<u>aye</u>	Tonya Lamia	<u>aye</u>
Pat Agnew	<u>aye</u>		

Passed and approved by the Board of Commissioners of the Greater Rockford Airport Authority on April 22, 2021.

(signed April 22, 2021)
Paul R. Cicero
Chairman, Board of Commissioners
Greater Rockford Airport Authority

ATTEST:

(Signed April 22, 2021)
Thomas Myers
Vice Chairman, Board of Commissioners
Greater Rockford Airport Authority

Exhibit 4-Budget and Appropriation Ordinance (continued)

ORDINANCE NO. 21-02

2021-2022 BUDGET AND APPROPRIATION ORDINANCE

CERTIFICATE

I, Thomas Dal Santo, Secretary 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 Secretary 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 22nd day of April 2021.

[SEAL]

(Signed April 22, 2021)

Thomas Myers
Vice Chairman, Board of Commissioners
Greater Rockford Airport Authority

Exhibit 4-Budget and Appropriation Ordinance (continued)

ESTIMATED REVENUES BY SOURCE FISCAL YEAR 2022

EXPECTED CASH FLOW DURING THE YEAR:

SOURCES

Operating Budget Revenue	\$	13,515,480
Non-Operating Revenue		572,266
Tax Levy		3,081,884
Passenger Facility Charges		347,642
Other Financing Services		8,934,822
		<hr/>
Total Sources	\$	26,452,094
Beginning Fund Balance, FY22		6,636,269
		<hr/>
Total Sources and Fund Balance	\$	33,088,363
		<hr/> <hr/>

USES

Operating Expenditures	\$	11,605,774
Non-Operating Expenditures		1,471,356
		<hr/>
Debt Service		(26,228,411)
Capital Expenditures		39,516,280
		<hr/>
Total Uses	\$	26,364,999
Ending Fund Balance, FY22		6,723,364
		<hr/>
Total Uses and Ending Fund Balance	\$	33,088,363
		<hr/> <hr/>

Exhibit 5-Acronyms and Glossary of Terms

AAAE - American Association of Airport Executives

ACI-NA - Airports Council International – North America

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

AD&D - Accidental Death and Dismemberment

AFR - Annual Financial Report

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

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

Airport – Refers to the Chicago Rockford International Airport.

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

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

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

Airport Operation - One landing or takeoff

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

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

ARFF – Aircraft Rescue and Fire Fighting.

The Authority – Refers to the Greater Rockford Airport Authority

Balanced Budget – a budget where the revenues equals expenditures.

Exhibit 5-Acronyms and Glossary of Terms (continued)

BOD - Biochemical Oxygen Demand

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

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

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

BFY – Budgeted Fiscal Year

Capital Asset - Expenditures for capital improvements, capital outlay, debt service and grant service that are in excess of \$2,000 and have a life expectancy in excess of one year.

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

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

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

CPE - Continuing Professional Education

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

CY – Calendar Year

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

Deplaning Passenger – An arriving passenger.

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

Enplaning Passenger – A departing passenger.

Exhibit 5-Acronyms and Glossary of Terms (continued)

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

FAR – Federal Aviation Regulations

FAS - Fixed Asset Schedules

FASB – Financial Accounting Standards Board

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

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

FIS - Federal Inspection Service

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

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

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

FOD – Foreign Object Debris or trash on the airfield.

FTZ - Foreign Trade Zone

FYE - Fiscal Year End

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

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

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

Exhibit 5-Acronyms and Glossary of Terms (continued)

GFOA - Government Finance Officers Association

GO - General Obligation (Bonds)

GRAA - Greater Rockford Airport Authority

ILS - Instrument Landing System

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

Infrastructure - Airport runways, taxiways, aprons and utility systems

INS - Immigration and Naturalization Service

IPAA - Illinois Public Airports Association

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

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

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

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

M&I - Meals and Incidentals

MRO – Maintenance, Repair and Overhaul

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

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

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

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

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

Exhibit 5-Acronyms and Glossary of Terms (continued)

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 for employees

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

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

RWY – Runway

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

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

SMS – Safety Management System

SRE - Snow Removal Equipment

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

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

TXY – Taxiway

UPS - United Parcel Service



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