
Annual Budget & Appropriation Ordinance

GREATER ROCKFORD AIRPORT AUTHORITY
FOR THE FISCAL YEAR OF 2023

ROCKFORD, ILLINOIS



2023



Fiscal Year 2023
Annual Budget and Appropriations Ordinance

For the period of May 1, 2022 - April 30, 2023

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.

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September 30, 2022

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 28, 2022. The Authority operates the Chicago Rockford International Airport (RFD).

The budget includes plans and resources to move toward the Authority's 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 construction of a parallel taxiway and further expansion of the midfield cargo gateway 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 FY2023 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 strategic objectives and initiatives related to the budget are further broken down within the capital and each of the departmental budgets for the year.

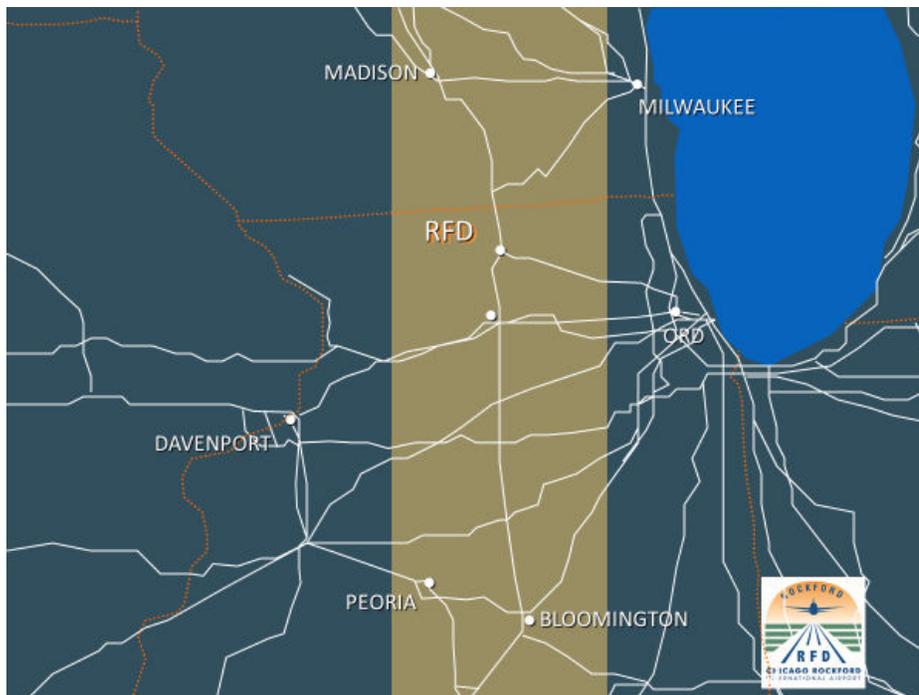
Overview and Economic Conditions

The Authority is one of the oldest airport authorities in the United States. 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 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. 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.

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. RFD is geographically centered within the region.



The Metropolitan Statistical Area (MSA) includes over 345,000 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 147,000. Business growth continues and employment needs are increasing. Due to the impacts of the global pandemic, the unemployment rate decreased from 11.4% to 6.8% 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. New jobs in the MSA total 8,300 over the last five years.

Overview and Economic Conditions (continued)

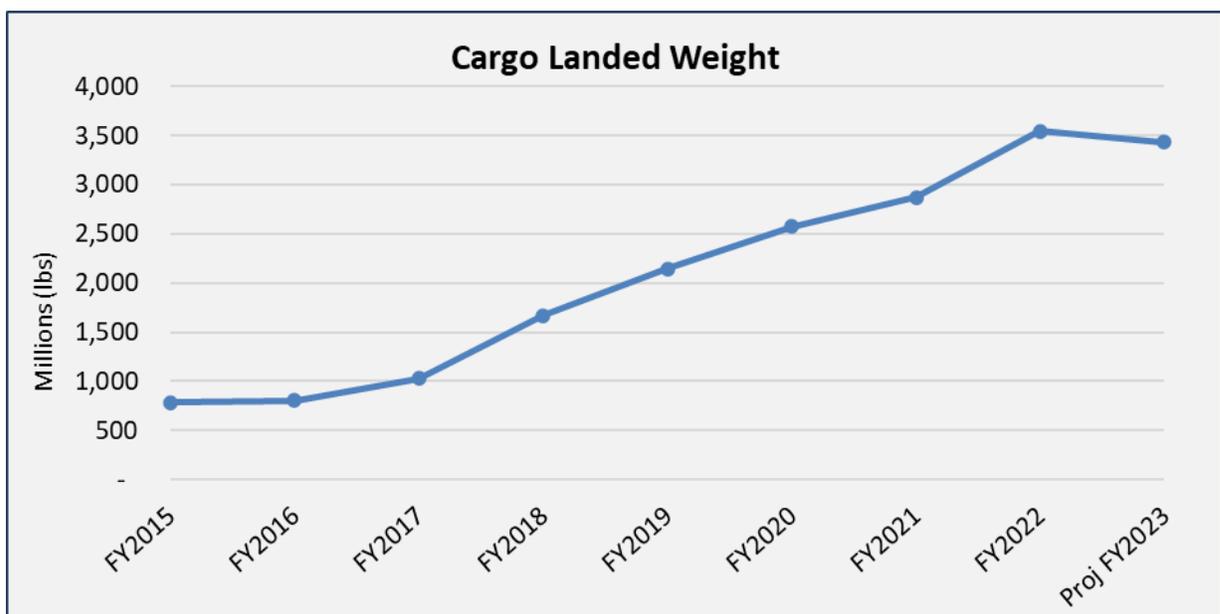
The financial condition of the Authority is primarily dependent upon the amount of aircraft utilization at RFD. That utilization, in turn, is dependent upon several factors: the amount of cargo that flows through RFD; the number of passenger airlines that service RFD; the number of passengers that use 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 14th largest cargo airport in the United States. The annual total of gross landed weight for all cargo aircraft for fiscal year 2022 was up 23.31%. FY2023 budget projects a 3.14% decrease in cargo weight due to an anticipated decreased in cargo activity as international passenger travel starts its return to pre-pandemic levels. 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. Though e-commerce is expected to continue, cargo growth is not expected to be at the same rate.

RFD is the second largest UPS hub in North America. UPS landing fee revenue will continue to grow and be a significant part of the Authority revenue. During FY2023, UPS will continue to increase their daily operations but decrease the size of their aircraft landing at RFD.

Amazon Air is operating a regional gateway at RFD. Currently there are two cargo carriers, Atlas Air and Air Transport International (ATI), serving the Amazon Air Operation. Amazon expanded the facility in FY2020 which has increased cargo activity and operating revenues for the Authority.

RFD has completed the construction of two new international cargo buildings totaling 190,000 square feet of new warehouse space. A third international cargo building (50,000 sf) is being constructed and will open in early 2023. As part of the international cargo center expansion project the Airport has completed a \$17 Million ramp expansion that can accommodate six 747 aircraft and will directly feed the three cargo buildings. These new facilities are part of a \$50 Million International Cargo expansion project that will directly support RFD's ever-growing presence and importance in the international air cargo market.

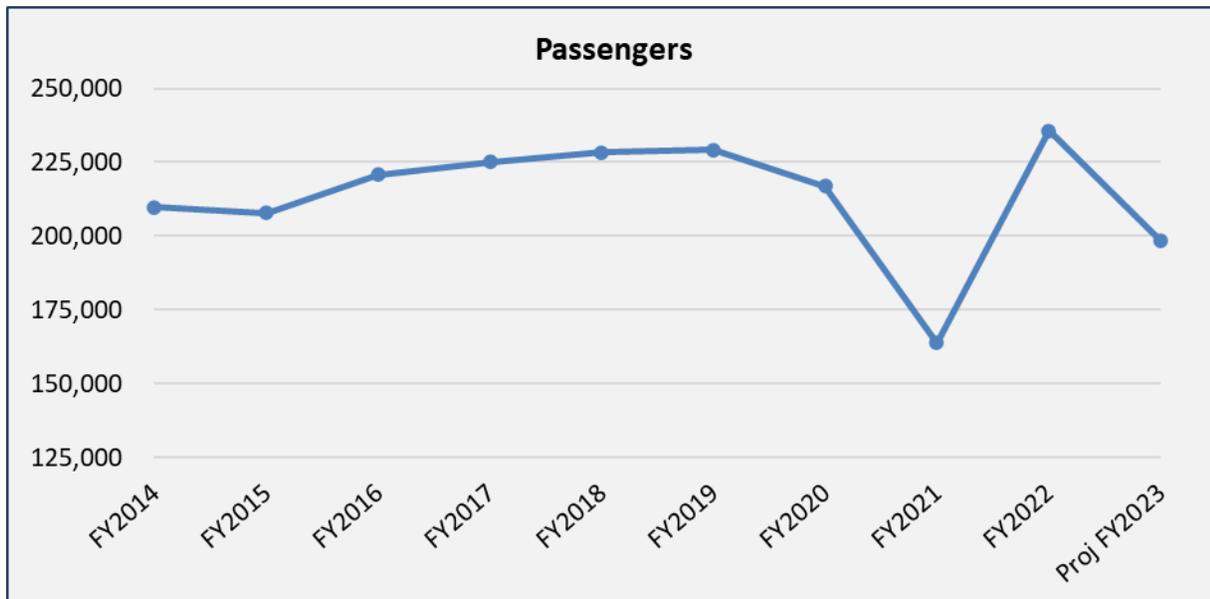


Overview and Economic Conditions (continued)

RFD is a United States Customs Port of Entry and grantee of Foreign Trade Zone (FTZ) #176. 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. FTZ utilization is anticipated to remain steady during FY2023.

Passenger service is a high priority at RFD provided in the newly renovated 40,000 square foot terminal. The terminal offers five passenger gates and is the home to Skyview Café concessions and two rental car agencies. Allegiant is now serving six destinations out of RFD. Allegiant Air accounts for 100% of all seats currently available at RFD. Apple Vacations previously offered seasonal service to Cancun, Punta Cana, and Costa Rica however, this service was placed on hold due to the pandemic. The airport continues to communicate with Apple vacations and is hopeful service will return. Passenger service experienced record numbers up 43.7% from the prior year as domestic travel opens back up fully for the first time since the start of the pandemic.

As we continue towards pre-pandemic passenger volume, RFD is projecting a decrease in passenger travel for FY23 of 15.7% from FY22. The FY22 volume was elevated as a record number of passengers took advantage of air travel as domestic travel fully opened back since the start of the pandemic. Record volumes are not anticipated to continue.



Budget Overview

The budget presented has many highlights discussed in subsequent sections. Operating revenue is budgeted at \$16,098,573 for FY2023. This is an increase of 19.11% from the prior year budget mainly related to increases in lease revenues. Operating expenses are budgeted at \$12,836,479 which is a 10.60% increase compared to the prior year budget.

	Actual FY2021	Budget FY2022	Estimated FY2022	Budget FY2023
Operating Revenue	\$ 12,610,507	\$ 13,515,480	\$ 14,934,640	\$ 16,098,573
Operating Expense	(11,046,418)	(11,605,774)	(11,213,564)	(12,836,480)
Net Operating Revenue/(Expense)	1,564,089	1,909,706	3,721,076	3,262,093
Non-operating Revenue (Expense)	36,296,035	11,465,258	24,717,061	19,391,485
Debt service principal payments	(2,990,204)	(3,870,589)	(3,859,194)	(3,063,652)
Debt Service Issued	7,299,683	30,099,000	32,786,749	-
Net before Capital	42,169,603	39,603,375	57,365,692	19,589,926
Capital Improvement Program	(36,851,463)	(39,516,280)	(44,871,384)	(19,522,982)
Excess Funds	\$ 5,318,140	\$ 87,095	\$ 12,494,308	\$ 66,944

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. In years four and five, there is opportunity to provide additional capital improvement beyond what is currently projected.

	Budget FY2023	Projected FY2024	Projected FY2025	Projected FY2026	Projected FY2027
Operating Revenue	\$ 16,098,573	\$ 16,787,388	\$ 17,513,414	\$ 18,200,245	\$ 18,917,446
Operating Expense	(12,836,480)	(13,497,594)	(14,200,992)	(14,949,929)	(15,747,946)
Net Operating Revenue	3,262,093	3,289,794	3,312,422	3,250,315	3,169,500
Non-Operating Revenue	19,391,485	25,958,396	40,297,970	29,463,714	19,218,242
Debt Service	(3,063,652)	(3,097,665)	(3,138,849)	(3,185,982)	(3,238,700)
Net before Capital	19,589,926	26,150,525	40,471,543	29,528,048	19,149,042
Capital Improvement Program	(19,522,982)	(25,489,000)	(40,317,000)	(28,225,000)	(17,175,000)
Excess Funds	\$ 66,944	\$ 661,525	\$ 154,543	\$ 1,303,048	\$ 1,974,042

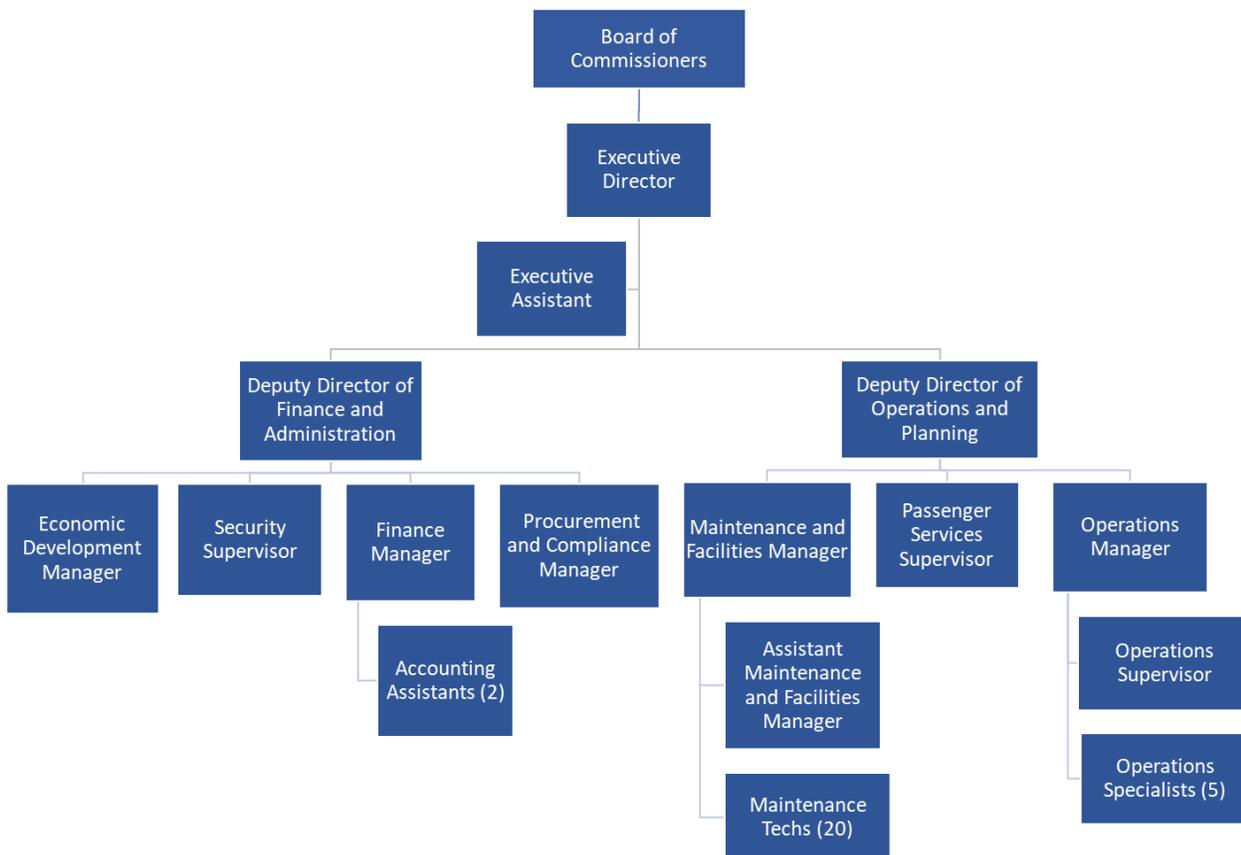
Organization

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 FY2023, airport staff is expected to grow to 50 employees (including seven Commissioners). Staffing has increased due to the continued growth of cargo operations.

Department	FY2021 Budget	FY2022 Budget	FY2023 Budget
Airport Commissioners	7	7	7
Administration and Finance	7	8	9
Facilities and Maintenance	20	22	23
Operations	9	9	9
Marketing and Development	2	2	2
Total Organization	45	48	50

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 FY2023. All departments participated in developing the 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 FY2022 adopted budget and goals for the FY2023 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 \$.0955 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 January 2022 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	12/02/2021
Review Line Items from Current Year Budget	12/02/2021
Distribute Budget Worksheets	12/23/2021
Meet with Individual Departments on Budgets	01/11-13/2021
Completed Budget Worksheets Returned to Finance Manager	01/20/2022
Capital Budget Finalization – Current Year Funding	02/03/2022
Finance Review and Compilation of Budget Worksheets	02/10/2022
Meet with Departments to Review/Update Goals	02/22/2022
Final Review of Budget Reports	03/10/2022
Draft Budget presented at Planning and Finance Meeting	03/17/2022
Approval of Tentative Budget by Board of Commissioners	03/24/2022
Notice Published for Public Hearing	03/25/2022
Public Hearing of Budget	04/28/2022
Final Approval of Budget by Board of Commissioners	04/28/2022

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 January. 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, 2021. This was the twenty-third 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 01, 2021

Christopher P. Morrill

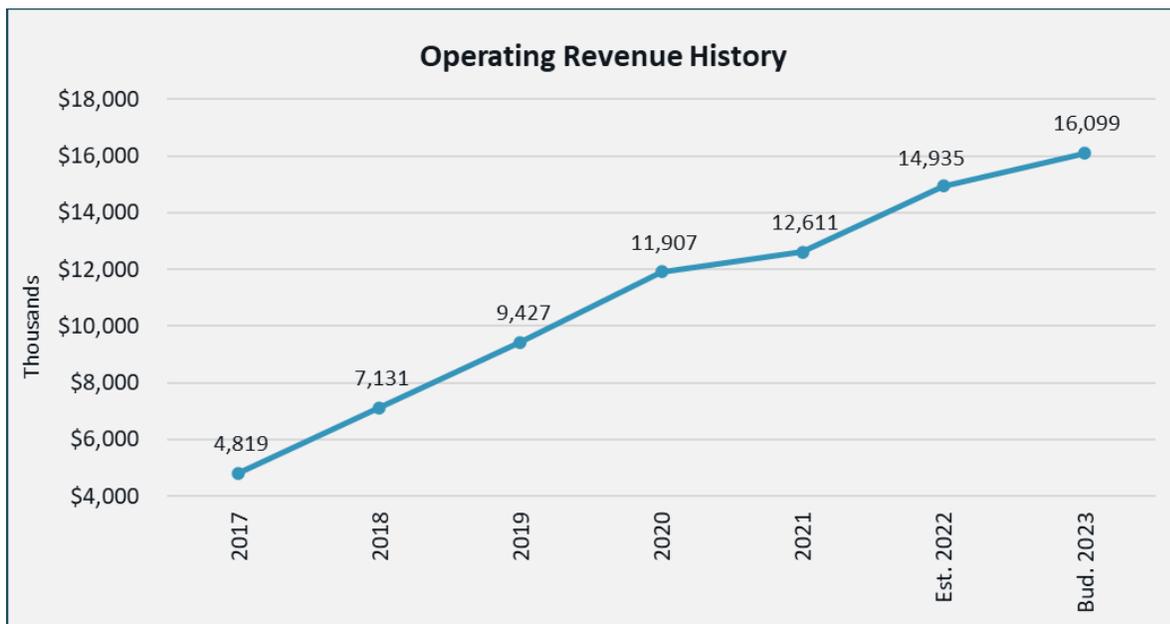
Executive Director

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 FY2023 budget includes a 19.11% 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 \$.0955 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.

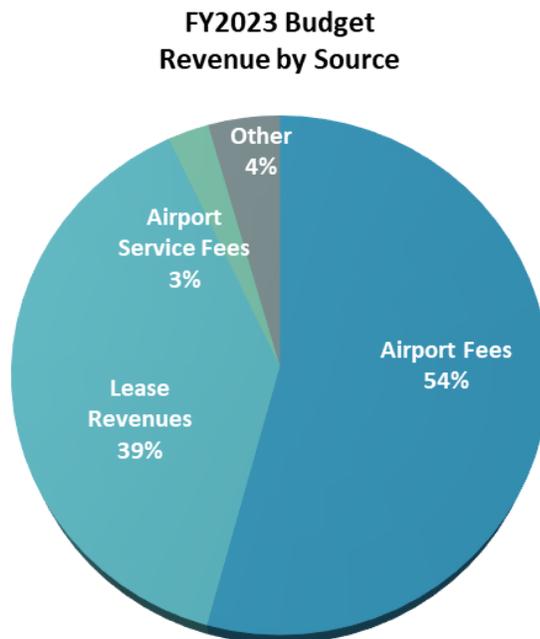
Revenues (continued)

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 four distinct categories: airport fees, lease revenues, airport service fees, and other and is further broken down within each category. This breakdown allows a comparison of variable revenues (airport fees) vs. fixed revenues (lease revenue).



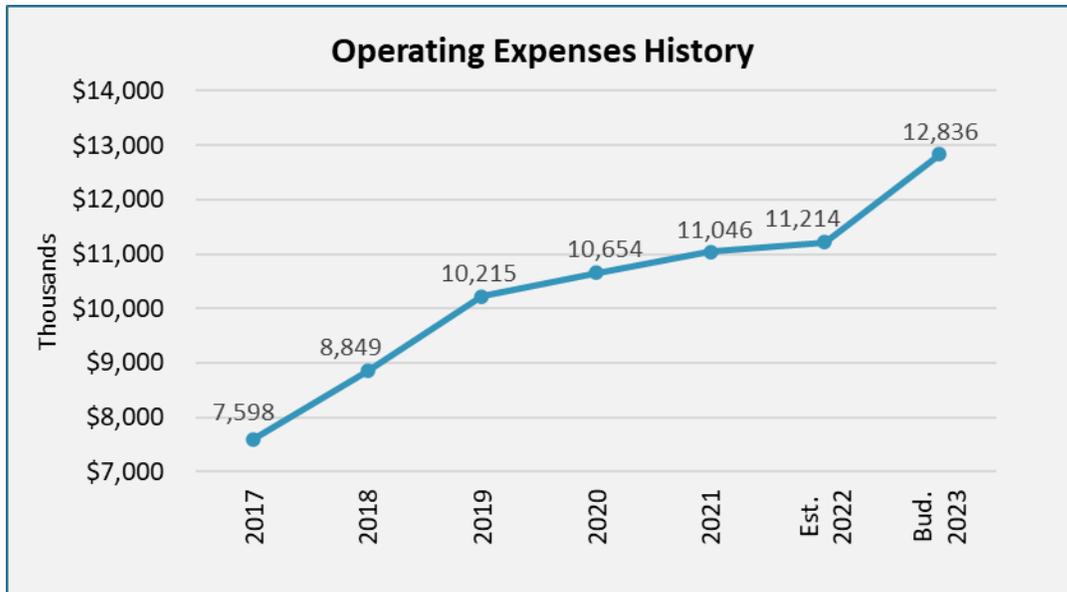
The charts below show the FY2023 revenue budget by source. The primary source of the revenue is derived from Airport Fees.



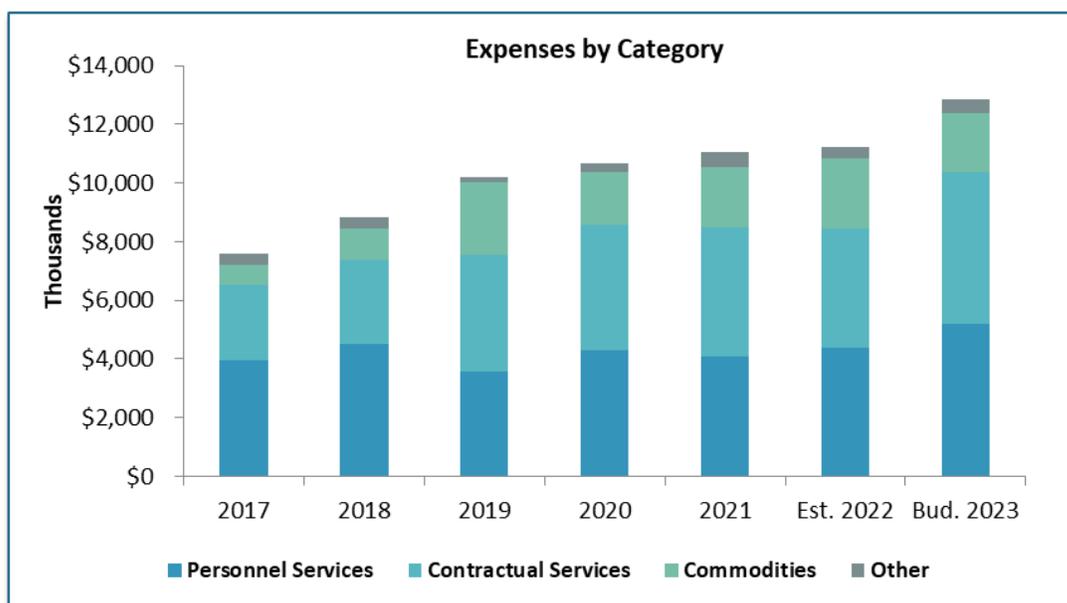
Expenditures

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 FY2023 is 10.60%. Increases include salaries and supplies and materials related to building and pavement repair.



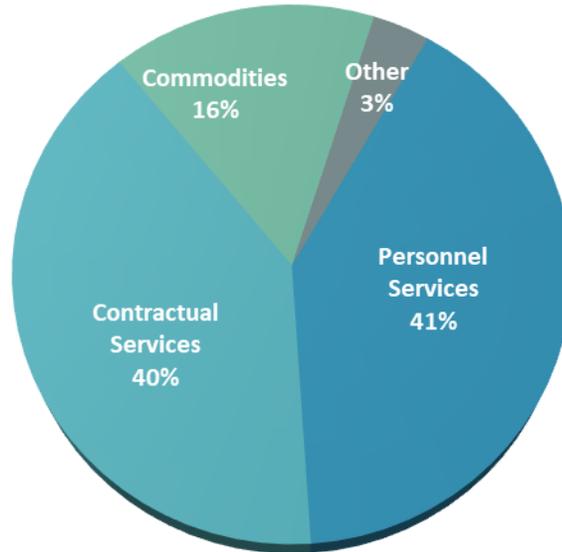
Operating expense allocation for the past five years is as follows:



Expenditures (continued)

Operating expenses are categorized into four areas, personnel service, contractual service, commodities, and other. Below is a chart showing the breakdown of FY2023 costs by category.

Expenses by Category



Personnel Services accounts for 41% of operating expenses and is traditionally one of the largest costs for the Authority. The Authority views the employees as its most important asset and works to hire the best most highly qualified and motivated people.

Contractual services is 40% of the total operating expenses and includes all contracted services and utilities. Commodities make up only 16% 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. The budget remains consistent to prior year with no new debt anticipated in FY2023.

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 \$65.0 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 \$50 million in FY2022 to construct an air cargo building, related ramp space, parking lot and roadway. A portion of the bond was used to refund the outstanding 2018 bond and an existing promissory note. The bonds are secured by revenues derived from landing fees.

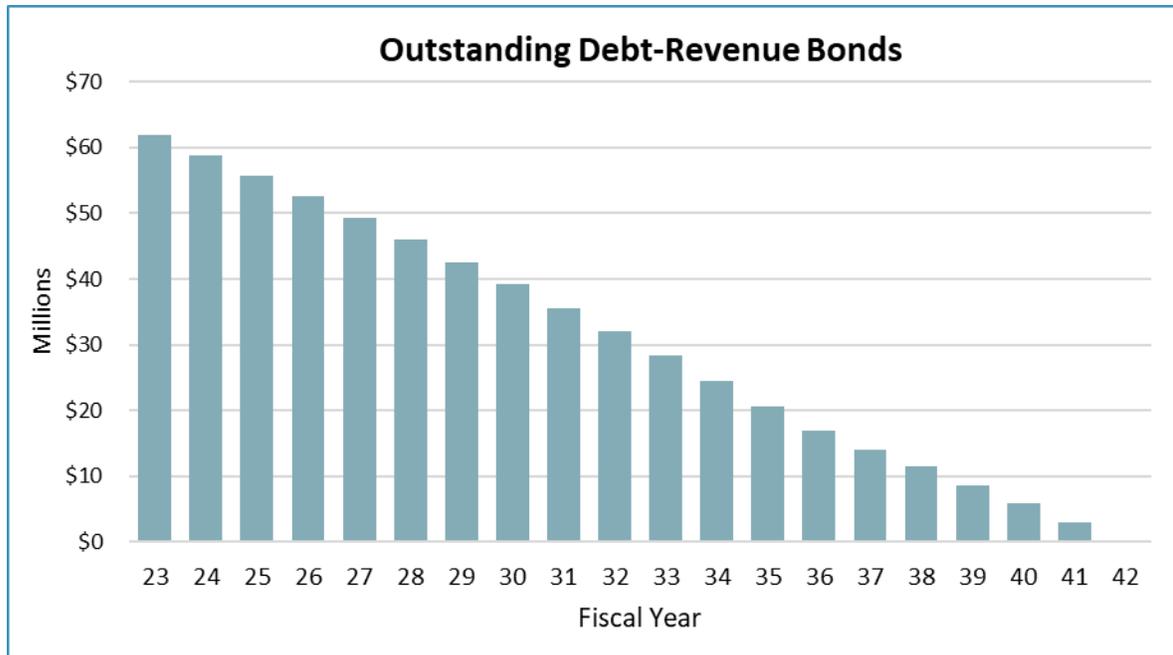
FY2023 bond debt repayment related to principal totals \$3,063,652. Interest payments will total \$1,507,799. Of this amount, \$881,858 will be received through intergovernmental contributions by the City and County based on the intergovernmental agreements related to the MRO bonds.

FY2023 Debt Schedule

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
GO alternative revenue bond - 2015A	383,234	163,971	547,204
GO alternative revenue bond - 2015B	234,058	100,595	334,654
GO alternative revenue bond - 2015C	187,186	80,478	267,664
GO alternative revenue bond - 2017	194,174	152,926	347,100
GO alternative revenue bond - 2021	2,065,000	1,009,829	3,074,829
Total	3,063,652	1,507,799	4,571,451
Less City and County Contributions	(617,292)	(264,566)	(881,858)
Total Authority Debt Payments	\$ 2,446,360	\$ 1,243,233	\$ 3,689,593

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 not have 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, 2022 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, 2021	\$ 3,122,476,525	\$ 3,122,476,525	\$ 3,122,476,525
Debt limit percentages	0.75%	2.30%	2.875%
	23,418,574	71,816,960	89,771,200
Total debt applicable to debt limit	-	-	-
Total	-	-	-
FYE22 Legal debt margins	\$ 23,418,574	\$ 71,816,960	\$ 79,475,242

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 \$1,561,436.

Current Capital Improvement Projects

Capital improvement projects currently in progress at the Airport include development of a 100,000 square foot and a 50,000 square foot international cargo building in the midfield, expansion and rehabilitation of the stormwater detention area, construction of a perimeter/security fence, and expansion of the south cargo apron.

It is projected that FY2023 will include approximately \$16.4 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 \$3.1 million of the \$19.5 million in projects.

Projected FY2023 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	\$ 16,138,700
Landside Projects	1,380,000
Maintenance Projects	1,319,282
Operations Projects	515,000
Terminal Projects	160,000
Administrative Projects	10,000
Total Capital Improvements	<u>\$ 19,522,982</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

	FY2018	FY2019	FY2020	FY2021	FY2022	Budgeted FY2023
Net Position, Beginning of Year	\$111,735,216	\$108,006,965	\$124,063,178	\$123,966,507	\$152,526,749	\$174,629,382
Income(loss) before Capital Contributions	(13,916,788)	(8,692,561)	(4,129,195)	5,761,669	7,083,226	(5,246,422)
Capital Contributions	10,188,537	24,748,774	4,032,524	22,798,573	15,019,407	16,400,000
Net Position, End of Year	<u>\$108,006,965</u>	<u>\$124,063,178</u>	<u>\$123,966,507</u>	<u>\$152,526,749</u>	<u>\$174,629,382</u>	<u>\$185,782,960</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, and
- Operating reserve fund.

The landfill closure fund is estimated to be at approximately \$749,930. 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 \$769,215 and is funded by monthly installments from Amazon and the interest earned.

The operating reserve fund is established to protect against the need to reduce service levels, staff, or raise fees due to temporary revenue shortfalls or unprecedented one-time expenditures. The goal is to have 3-5 months of operating and non-operating expenses reserved. Currently, the fund balance is \$5,826,321 and is sufficient to cover up to 5 months of expense.

Designated Assets (continued)

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

	Operating Account	Operating Reserve	Debt Service Account	Capital Proj. Account	Trust Account	Total
Balance, 1 May 2022	\$ 6,691,982	\$ 5,827,318	\$ 7,027,408	\$ 145,927	\$ 1,506,958	\$ 21,199,593
Sources						
Operating revenue	16,098,573					16,098,573
Non-operating revenue	622,777					622,777
Tax levy-operating	3,151,661					3,151,661
Equipment trust funds						-
Debt issue						-
PFC				435,781		435,781
AIP fund reimbursement			-			-
Capital contributions				16,400,000		16,400,000
Intergovernmental contributions			248,064			248,064
Total Sources	19,873,011	-	248,064	16,835,781	-	36,956,857
Uses						
Operating expenses	12,836,480					12,836,480
Non-operating expenses			1,466,799			1,466,799
Debt service payments			3,063,652			3,063,652
Capital expenditures				19,522,982		19,522,982
Total Uses	12,836,480	-	4,530,451	19,522,982	-	36,889,913
Net Sources (Uses)	7,036,531	-	(4,282,386)	(2,687,201)	-	66,944
Balance before transfers	13,728,513	5,827,318	2,745,022	(2,541,274)	1,506,958	21,266,537
Transfers	(2,600,000)			2,600,000		-
Balance, 1 May 2023	\$ 11,128,513	\$ 5,827,318	\$ 2,745,022	\$ 58,726	\$ 1,506,958	\$ 21,266,537

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 \$16,098,573 for FY2023. This is an increase of 19.11% from the prior year budget mainly related to increases in airport fees and lease revenues offset by decreases in airport service fees. Operating expenses are budgeted at \$12,836,480 which is a 10.60% increase compared to the prior year budget.

	Actual FY2021	Budget FY2022	Estimated FY2022	Budget FY2023	Budget % Change
Operating Revenue					
Airport fees-airside	\$ 6,314,457	\$ 6,479,230	\$ 7,264,207	\$ 7,428,364	
Airport fees-landside	932,204	1,158,381	1,282,000	1,302,581	
Lease revenue-on airport	3,181,392	4,094,144	4,260,021	5,426,959	
Lease revenue-off airport	814,293	706,133	701,300	811,006	
Airport service fees	813,059	502,050	712,750	412,850	
Other	555,102	575,542	714,362	716,813	
Total Operating Revenue	12,610,507	13,515,480	14,934,640	16,098,573	19.11%
Operating Expense					
Personnel services	(4,090,592)	(4,876,041)	(4,393,753)	(5,213,307)	
Contractual services	(4,378,338)	(4,799,784)	(4,044,095)	(5,152,038)	
Commodities	(2,062,698)	(1,593,549)	(2,385,832)	(2,030,936)	
Other	(514,790)	(336,400)	(389,884)	(440,200)	
Total Operating Expense	(11,046,418)	(11,605,774)	(11,213,564)	(12,836,480)	10.60%
Net Operating Expense	1,564,089	1,909,707	3,721,076	3,262,093	
Non-operating Revenue (Expense)					
Property tax levy-operating	2,981,932	3,081,884	3,081,884	3,151,661	
Replacement tax	646,067	550,000	1,200,000	600,000	
Interest income	16,348	12,266	34,680	12,777	
AIP grant funds - vendor direct	-	-	-	-	
Passenger facility charges	366,703	347,642	550,000	435,781	
Gain/(Loss) on disposal of assets	351,222	10,000	416,392	10,000	
Current capital contributions	22,798,573	8,615,637	9,519,654	16,400,000	
Reimbursement Grant	9,430,974	-	11,155,266	-	
Intergovernmental contributions	337,979	319,185	319,185	248,064	
Interest expense	(633,763)	(1,471,356)	(1,560,000)	(1,466,799)	
Total Non-operating Revenue (Expense)	36,296,035	11,465,258	24,717,061	19,391,485	69.13%
Debt Service, Sinking Fund Deposits & Other Uses					
Debt service principal payments	(2,990,204)	(3,870,589)	(3,859,194)	(3,063,652)	
Debt service escrow payments	-	-	-	-	
Debt Service	7,299,683	30,099,000	32,786,749	-	
Total Debt Service and Sinking Fund Deposits	4,309,479	26,228,411	28,927,555	(3,063,652)	-111.68%
Net before Capital	42,169,603	39,603,375	57,365,692	19,589,926	
Capital Improvement Program					
Airside projects	(27,212,427)	(38,214,637)	(38,256,098)	(16,138,700)	
Landside projects	(575,440)	-	(2,348,416)	(1,380,000)	
Terminal projects	(1,416,723)	(16,643)	(37,063)	(160,000)	
Administration projects	-	(30,000)	(59,000)	(10,000)	
Maintenance projects	(7,570,794)	(845,000)	(3,983,907)	(1,319,282)	
Operations projects	(76,079)	(410,000)	(186,900)	(515,000)	
Total Capital Improvements	(36,851,463)	(39,516,280)	(44,871,384)	(19,522,982)	-50.60%
Excess Funds	\$ 5,318,140	\$ 87,095	\$ 12,494,308	\$ 66,944	

Operating Revenue Summary

Revenue sources for FY2023 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, \$7,428,364. 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 3.4 billion pounds, which is a 3.5% decrease over prior year. A decrease is anticipated as international passenger travel begins to return to pre-pandemic levels. Increased cargo operations have resulted in an increase of 8.5% for cargo landing fees over prior year's 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. Due to the increase in cargo activity, a parking fee was established with the revised rates and charges effective January 1, 2022 to all commercial aircraft.

Airport fees – landside, \$1,302,581. 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 FY2023 as passenger travel continues to gain momentum recovering from the impact of the pandemic.

Lease revenue – on airport, \$5,426,959. 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 FY2023 projected to increase with the occupancy of the new 90,000 square foot and 100,000 square foot Midfield International Cargo Buildings.

Lease revenue – off airport, \$811,006. 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 increase from FY2022.

Airport service fees, \$412,850. 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 FY2023 due to decreased international service-related fees and badging fees for new airport tenants.

Other – \$716,813. 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 the return of Tough Mudder to RFD and reimbursement, offsetting expense, for cargo consulting services.

Operating Revenues Budget

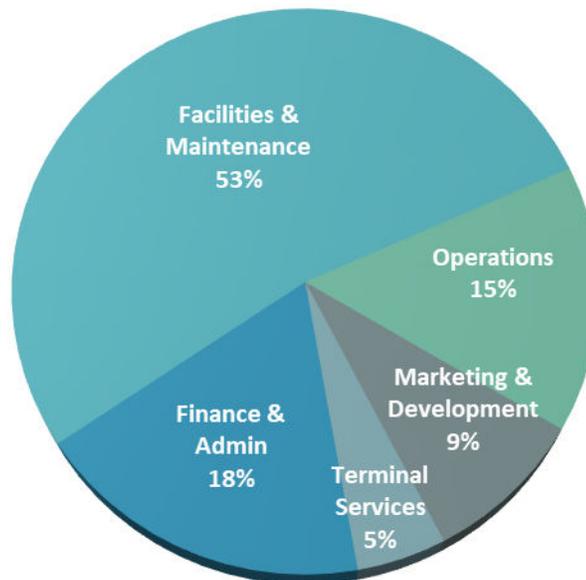
CODE/LINE ITEM	ACTUAL FY2020	ACTUAL FY2021	BUDGET FY2022	ESTIMATE FY2022	BUDGET FY2023
AIRPORT FEES-AIRSIDE					
4120 Fuel flowage fees	\$ 45,124	\$ 35,773	\$ 47,000	\$ 36,869	\$ 50,000
4140 Landing fees - cargo	4,997,176	5,628,829	6,115,076	6,690,000	6,635,167
4141 Landing fees - non cargo	268,649	220,799	219,760	205,000	221,130
4142 Landings - terminal fees	75,625	64,464	64,710	68,023	69,383
4143 Landings - MRO	-	13,887	20,000	1,315	20,000
4144 Aircraft parking fees	76,210	350,705	12,684	263,000	432,684
TOTAL FEES-AIRSIDE	5,462,785	6,314,457	6,479,230	7,264,207	7,428,364
AIRPORT FEES-LANDSIDE					
4250 Parking revenue	1,032,512	770,678	904,381	1,018,000	1,007,581
4270 Rental car commissions	200,542	161,526	254,000	264,000	295,000
TOTAL FEES-LANDSIDE	1,233,054	932,204	1,158,381	1,282,000	1,302,581
LEASE REVENUE-ON AIRPORT					
4330 Building	2,294,067	2,574,388	3,424,101	3,586,000	4,738,793
4360 Land	536,979	498,062	572,597	588,600	603,790
4380 Terminal	122,557	108,942	97,447	85,421	84,377
TOTAL LEASE-ON AIRPORT	2,953,603	3,181,392	4,094,144	4,260,021	5,426,959
LEASE REVENUE-OFF AIRPORT					
4430 Building	201,172	195,371	140,952	138,300	161,791
4460 Land	533,088	618,922	565,181	563,000	649,216
TOTAL LEASE-OFF AIRPORT	734,260	814,293	706,133	701,300	811,006
AIRPORT SERVICE FEES					
4950 Fuel permits	3,225	2,850	2,850	2,850	2,850
4971 International rubbish disposal fee	142,090	18,265	19,200	76,000	-
4972 Deicing chemical application fee	346,113	455,509	300,000	385,000	350,000
4975 Other airfield service fees	349,370	336,435	180,000	248,900	60,000
TOTAL AIRPORT SERVICE FEES	840,798	813,059	502,050	712,750	412,850
OTHER					
4910 Video Entertainment Revenue	7,500	10,423	8,400	10,212	10,000
4930 Commercial operating agreement	109,116	118,594	122,642	142,250	140,013
4940 Foreign trade zone fees	119,650	112,165	97,500	92,500	97,500
4960 Quarry fees	90,000	90,000	90,000	90,000	90,000
4980 Stormwater fees	270,000	206,000	246,000	246,000	246,000
4990 Miscellaneous	86,407	17,920	11,000	133,400	133,300
TOTAL OTHER	682,673	555,102	575,542	714,362	716,813
TOTAL OPERATING REVENUE	\$11,907,174	\$12,610,507	\$13,515,480	\$14,934,640	\$16,098,573

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 chart below shows, a majority of the costs are related to directly operating the airport and maintaining all the infrastructure and buildings.

**FY2023 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, performance measures based on goals, 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 4 Fin/Admin	Dept 5 Fac/Maint	Dept 6 Operations	Dept 7 Market/Dev	Dept 8 Terminal	BUDGET FY2023	BUDGET FY2022	\$ Change	% Change
PERSONNEL SERVICES									
5400 Insurance	\$ 132,233	\$ 362,176	\$ 176,563	\$ 48,663	\$ -	\$ 719,635	\$ 617,099	\$ 102,537	16.62%
5401 Insurance-retirees	28,286	-	-	-	-	28,286	29,747	(1,462)	(4.91%)
5450 Overtime	-	180,474	70,053	-	-	250,527	233,277	17,249	7.39%
5451 Double time	-	73,183	28,968	-	-	102,151	95,613	6,538	6.84%
5500 Payroll taxes	68,416	142,994	57,009	19,831	-	288,250	265,411	22,839	8.61%
5560 Pension contribution	77,389	132,239	52,746	18,884	-	281,257	314,022	(32,765)	(10.43%)
5600 Salaries/wages	959,217	1,558,211	609,475	260,104	-	3,387,007	3,069,500	317,507	10.34%
5605 Outside labor	-	-	-	-	-	-	75,000	(75,000)	(100.00%)
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	15,000	14,500	-	-	33,620	44,793	(11,173)	(24.94%)
5800 Workers compensation insurance	863	65,996	21,094	234	-	88,188	97,865	(9,677)	(9.89%)
5900 Uniforms	1,100	9,986	1,500	-	-	12,586	11,913	673	5.65%
5901 Uniforms-lost,damaged,replaced	-	500	-	-	-	500	500	-	0.00%
5903 Uniforms-protective clothing	-	9,450	2,250	-	-	11,700	11,700	-	0.00%
TOTAL PERSONNEL SERVICES	1,271,625	2,559,808	1,034,158	347,716	-	5,213,307	4,876,041	337,266	6.92%
CONTRACTUAL SERVICES									
6021 Ad-Television	-	-	-	75,000	-	75,000	145,000	(70,000)	(48.28%)
6025 Ad-Promotions	-	-	-	21,500	-	21,500	9,300	12,200	131.18%
6027 Ad-Internet/web	-	-	-	50,000	-	50,000	25,000	25,000	100.00%
6050 Audit	36,350	-	-	-	-	36,350	35,650	700	1.96%
6040 Airfield repair	-	51,500	-	-	-	51,500	32,500	19,000	58.46%
6100 Building repair	-	22,255	-	-	18,500	40,755	37,255	3,500	9.39%
6110 Building repair - MRO	-	115,000	-	-	-	115,000	185,000	(70,000)	(37.84%)
6121 Miles Ahead	-	-	-	3,000	-	3,000	5,000	(2,000)	(40.00%)
6140 Conferences & meetings	12,810	9,350	5,500	25,765	-	53,425	39,200	14,225	36.29%
6150 New airline service support	-	-	-	200,000	-	200,000	150,000	50,000	33.33%
6160 Consulting services	231,740	-	-	327,100	-	558,840	393,539	165,301	42.00%
6161 ARFF contractual services	-	-	720,000	-	-	720,000	700,000	20,000	2.86%
6163 LEO contractual services	-	-	25,000	-	-	25,000	25,000	-	0.00%
6300 Engineering services	95,000	-	-	-	-	95,000	50,000	45,000	90.00%
6321 Equip maint-repairs/services	-	32,300	-	-	34,450	66,750	73,050	(6,300)	(8.62%)
6322 Equip maint-service contracts	51,447	411,438	78,125	-	273,255	814,266	653,001	161,265	24.70%
6350 Equipment rental	2,107	221,855	945	-	12,990	237,897	219,015	18,883	8.62%
6360 Fingerprinting Services	21,400	-	-	-	-	21,400	81,400	(60,000)	(73.71%)
6400 Insurance	334,174	-	-	-	-	334,174	312,597	21,577	6.90%
6402 Insurance deductible	10,000	-	-	-	-	10,000	10,000	-	0.00%
6410 Landscaping	-	6,500	-	-	9,000	15,500	18,500	(3,000)	(16.22%)
6440 Legal notices	2,800	-	-	-	-	2,800	3,500	(700)	(20.00%)
6451 Legal services-general	125,000	-	-	-	-	125,000	100,000	25,000	25.00%
6452 Legal services-personnel	10,000	-	-	-	-	10,000	10,000	-	0.00%
6453 Legal services-other	3,000	-	-	-	-	3,000	3,000	-	0.00%
6480 Licenses,titles & inspections	-	6,460	-	-	8,620	15,080	15,790	(710)	(4.50%)
6510 Medical exams	200	700	200	-	200	1,300	1,600	(300)	(18.75%)
6540 Membership dues	3,258	45	2,930	4,725	-	10,958	10,273	685	6.67%
6600 Other	1,300	1,000	-	-	500	2,800	2,500	300	12.00%
6630 Parking - Management Fee	-	99,600	-	-	-	99,600	95,100	4,500	4.71%
6635 Parking - Operations and Maint	-	591,459	-	-	-	591,459	680,688	(89,229)	(15.00%)
6640 Payment services	10,360	-	-	-	-	10,360	7,916	2,444	30.87%
6670 Permits & testing	-	4,600	-	-	-	4,600	4,950	(350)	(7.07%)
6700 Postage	1,800	-	-	-	-	1,800	2,270	(470)	(20.70%)
6730 Printing	450	-	-	10,000	-	10,450	10,450	-	0.00%
6751 Telephone-cellular	3,018	18,000	5,940	1,705	41	28,704	26,548	2,156	8.12%
6752 Telephone	21,574	19,748	6,974	1,178	36,236	85,710	78,073	7,637	9.78%
6800 Travel & transportation	30,395	21,600	9,575	45,380	-	106,950	75,250	31,700	42.13%
6806 Customer care/customer service	-	-	-	-	500	500	500	-	0.00%
6850 Utilities-electric	18,000	145,000	-	-	135,000	298,000	279,500	18,500	6.62%
6851 Utilities-natural gas	9,000	35,000	-	-	26,000	70,000	68,700	1,300	1.89%
6852 Utilities-water	1,570	45,000	-	-	11,200	57,770	23,120	34,650	149.87%
6900 Vehicle maintenance	-	52,000	-	-	-	52,000	58,000	(6,000)	(10.34%)
6950 Waste removal	-	12,120	-	-	5,720	17,840	42,050	(24,210)	(57.57%)
TOTAL CONTRACTUAL SERVICES	1,036,753	1,922,530	855,189	765,353	572,212	5,152,038	4,799,784	352,254	7.34%

Operating Expenses Combined Departmental Budget

CODE/LINE ITEM, All Departments	Dept 4 Fin/Admin	Dept 5 Fac/Maint	Dept 6 Operations	Dept 7 Market/Dev	Dept 8 Terminal	BUDGET FY2023	BUDGET FY2022	\$ Change	% Change
COMMODITIES									
7100 Building repair	-	40,000	-	-	15,000	55,000	35,000	20,000	57.14%
7110 Building repair - MRO	-	200,000	-	-	-	200,000	-	200,000	0.00%
7140 Conferences & meetings	8,000	8,300	1,500	1,000	1,800	20,600	22,200	(1,600)	(7.21%)
7200 Equipment	1,700	18,400	9,950	5,000	9,500	44,550	38,500	6,050	15.71%
7240 Fence/gate	-	20,000	-	-	-	20,000	10,000	10,000	100.00%
7271 Fuel-diesel	-	100,000	-	-	-	100,000	100,000	-	0.00%
7272 Fuel-unleaded	-	32,400	-	-	-	32,400	32,000	400	1.25%
7273 Fuel-other	-	2,000	-	-	-	2,000	2,500	(500)	(20.00%)
7300 Landscaping	-	2,500	-	-	-	2,500	1,500	1,000	66.67%
7380 Other	1,000	500	-	-	500	2,000	3,200	(1,200)	(37.50%)
7400 Pavement marking	-	142,000	-	-	-	142,000	77,250	64,750	83.82%
7440 Pavement repair	-	73,000	-	-	-	73,000	73,000	-	0.00%
7500 Raw materials	-	15,000	-	-	-	15,000	3,500	11,500	328.57%
7501 Raw materials-deicing only	-	705,000	-	-	-	705,000	705,000	-	0.00%
7540 Signage	-	10,000	-	-	2,200	12,200	2,500	9,700	388.00%
7580 Software	2,500	1,000	-	-	-	3,500	3,500	-	0.00%
7600 Subscriptions	3,639	4,764	34,751	9,250	2,282	54,686	36,499	18,186	49.83%
7660 Supplies-janitorial	-	3,500	-	-	12,000	15,500	15,100	400	2.65%
7690 Supplies-lighting(airfield)	-	165,000	-	-	-	165,000	150,000	15,000	10.00%
7720 Supplies-mechanical (airfield)	-	115,000	-	-	-	115,000	70,000	45,000	64.29%
7750 Supplies-office	3,000	1,000	1,500	-	500	6,000	7,300	(1,300)	(17.81%)
7755 Supplies-Badging/Fingerprinting	20,000	-	-	-	-	20,000	10,000	10,000	100.00%
7780 Supplies-other	-	8,000	2,500	-	1,000	11,500	11,500	-	0.00%
7782 Supplies-hardware	-	12,000	-	-	-	12,000	10,000	2,000	20.00%
7796 Supplies-promotional	-	-	-	10,000	-	10,000	15,000	(5,000)	(33.33%)
7810 Supplies-specialty	-	-	16,000	-	-	16,000	16,000	-	0.00%
7830 Supplies-steel stock	-	2,000	-	-	-	2,000	1,500	500	33.33%
7850 Supplies-storm sewer/drain	-	3,000	-	-	-	3,000	500	2,500	500.00%
7880 Supplies-welding	-	3,500	-	-	-	3,500	3,500	-	0.00%
7901 Maint-licensed vehicles	-	17,000	-	-	-	17,000	17,000	-	0.00%
7902 Maint-equipment	-	150,000	-	-	-	150,000	120,000	30,000	25.00%
TOTAL COMMODITIES	39,839	1,854,864	66,201	25,250	44,782	2,030,936	1,593,549	437,386	27.45%
OTHER									
8400 Glycol retention treatment facility	-	89,400	-	-	-	89,400	89,400	-	0.00%
8410 Landfill environmental costs	-	150,800	-	-	-	150,800	73,000	77,800	106.58%
8415 Property Taxes	-	200,000	-	-	-	200,000	174,000	26,000	14.94%
TOTAL OTHER	-	440,200	-	-	-	440,200	336,400	103,800	30.86%
FISCAL YEAR TOTALS	\$ 2,348,217	\$ 6,777,402	\$ 1,955,548	\$ 1,138,319	\$ 616,994	\$12,836,480	\$11,605,774	\$1,230,707	10.60%

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.

FY2023 Initiatives and Goals

- ➔ Maximize non-aeronautical revenues.

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

Goal: Create revenue generating space in the terminal for advertising or sponsorship.

Goal: Find revenue stream for terminal space vacated from renovation.

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

Goal: Upgrade payroll software to a software that is more efficient and versatile eliminating the need for multiple products.

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

Goal: Track all employee development and training in payroll system.

- ➔ Complete performance appraisals.

Goal: For all staff to receive performance reviews.

Goal: Improve performance appraisal process with developmental plans.

- ➔ Provide employee opportunities for wellness and healthy lifestyles.

Goal: Continue relationship with Swedish American Hospital to offer wellness educational sessions throughout the year.

Goal: Offer a wellness fair in the fall in conjunction with open enrollment.

Finance and Administration Department Summary (continued)

FY2022 Initiatives and Results

- ➔ Maximize non-aeronautical revenues.

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

Result: Added the option of a car wash service with our valet service to enhance the customer experience.

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

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

Result: Upgraded to Sage Intacct financial software which is cloud based and more efficient.

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

Result: Many employees took advantage of educational opportunities by attending trainings and conferences. Employees also used tuition reimbursement and professional association memberships to continue professional growth.

- ➔ Complete performance appraisals.

Goal: For all staff to receive performance reviews.

Result: All staff received performance reviews and established development plans.

Finance and Administration Performance Measures

GOALS	TARGET	ACTUAL FY2020	ACTUAL FY2021	ESTIMATE FY2022	BUDGET FY2023
Increase non-aeronautical revenue by 5% annually	5.0%	7.7%	11.4%	18.7%	8.4%
Non-aeronautical revenue at least 50% of total revenue	50.0%	43.0%	39.3%	39.5%	34.7%
Performance appraisals for all employees	100%	100%	80%	80%	100%

Finance and Administration Department Budget

CODE/LINE ITEM, Department 04	ACTUAL FY2020	ACTUAL FY2021	BUDGET FY2022	ESTIMATE FY2022	BUDGET FY2023	\$Chg/FY22 Budget	%Chg/FY22 Budget
PERSONNEL SERVICES							
5400 Insurance	\$ 94,656	\$ 93,582	\$ 95,504	\$ 95,191	\$ 132,233		
5401 Insurance-retirees	39,521	32,714	29,747	28,500	28,286		
5403 Insurance-OPEB	79,990	(97,442)	-	-	-		
5500 Payroll taxes	67,096	63,129	62,200	62,663	68,416		
5560 Pension contribution	63,937	77,546	86,089	81,877	77,389		
5562 Pension contribution-GASB 68	46,034	(179,902)	-	-	-		
5600 Salaries/wages	833,556	849,028	873,376	870,000	959,217		
5750 Training	5,385	1,325	4,120	2,500	4,120		
5800 Workers compensation insurance	865	961	1,223	900	863		
5900 Uniforms	-	2,323	1,100	-	1,100		
TOTAL PERSONNEL SERVICES	1,231,039	843,264	1,153,359	1,141,630	1,271,625	118,266	10.25%
CONTRACTUAL SERVICES							
6050 Audit	38,322	35,305	35,650	37,945	36,350		
6140 Conferences and meetings	7,593	2,960	9,200	9,200	12,810		
6160 Consulting services	202,799	236,852	225,539	225,539	231,740		
6300 Engineering services	38,069	52,132	50,000	150,000	95,000		
6322 Service contracts	48,624	43,546	46,104	40,279	51,447		
6350 Equipment rental	5,543	4,055	2,463	2,107	2,107		
6360 Fingerprinting Services	-	77,370	81,400	12,020	21,400		
6400 Insurance	202,352	241,313	312,597	323,000	334,174		
6402 Insurance deductible	1,000	-	10,000	-	10,000		
6440 Legal notices	3,846	4,631	3,500	2,859	2,800		
6451 Legal services-general	67,255	124,954	100,000	120,000	125,000		
6452 Legal services-personnel	19,245	4,139	10,000	10,000	10,000		
6453 Legal services-other	2,459	3,000	3,000	3,000	3,000		
6480 Licenses, titles and inspections	81,000	-	-	-	-		
6510 Medical exams	110	390	200	200	200		
6540 Membership dues	2,123	2,534	2,573	2,500	3,258		
6600 Other	1,575	2,677	1,000	145,000	1,300		
6640 Payment services	7,710	8,702	7,916	7,964	10,360		
6700 Postage	2,174	1,823	2,270	2,000	1,800		
6730 Printing	561	1,118	450	450	450		
6751 Telephone-cellular	2,973	3,133	3,078	3,020	3,018		
6752 Telephone-local	29,030	16,861	19,524	19,423	21,574		
6800 Travel and transportation	21,014	14,620	28,695	18,534	30,395		
6850 Energy-electric	18,589	18,401	19,000	15,669	18,000		
6851 Energy-natural gas	8,170	6,695	7,300	3,469	9,000		
6852 Utilities-water and sewer	2,659	1,391	1,520	1,440	1,570		
TOTAL CONTRACTUAL SERVICES	814,795	908,599	982,978	1,155,617	1,036,753	53,775	5.47%
COMMODITIES							
7140 Conferences and meetings	7,395	7,222	8,400	6,000	8,000		
7200 Equipment	12,646	2,360	2,500	8,000	1,700		
7380 Other	2,263	531	1,200	1,200	1,000		
7580 Software	650	2,500	2,500	-	2,500		
7600 Subscriptions	3,190	2,375	3,361	3,073	3,639		
7750 Supplies-office	5,084	4,814	4,400	2,500	3,000		
7755 Supplies-Badging/Fingerprinting	3,849	7,063	10,000	18,000	20,000		
TOTAL COMMODITIES	35,076	26,865	32,361	38,773	39,839	7,478	23.11%
DEPARTMENT TOTAL	\$ 2,080,910	\$ 1,778,728	\$ 2,168,698	\$ 2,336,020	\$ 2,348,217	\$ 179,519	8.28%

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.

FY2023 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.

- Improve workplace safety

Goal: Implement basic, safe-operating procedures and techniques of general maintenance equipment to give current and new employees the basics on how to operate the various maintenance equipment they will use.

- Develop facilities capital plan.

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

- Implement pavement maintenance plan.

Goal: Use the data from the upcoming Pavement Condition Index (PCI) to identify the immediate and future needs of pavement.

FY2022 Initiatives and Results

- 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.

Result: Nine staff members completed the Airfield Marking Professional (AMP) training course at Central Illinois Regional Airport in Bloomington, Illinois. Training was conducted by Sightline, a leader in this industry.

Result: RFD hosted the 2021 Illinois Airport Maintenance Associations annual conference. This conference covered a host of topic including, cargo development, selling surplus equipment, wildlife control at airports, preventive maintenance programs, pavement markings and pavement maintenance.

Result: One staff member successfully completed the Illinois Department of Agriculture Pesticide Applicator course.

Facilities and Maintenance Department Summary (continued)

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

Result: Implemented an onboarding program where all new employees start training with PowerPoints for specific aspects of their jobs i.e., airfield marking painting, snow removal equipment driving, proper care of snow removal equipment, and some maintenance equipment. Specific times were set up with Operations to conduct their Part 139 training.

Result: Currently developing a training outline where new employees go through OSHA training, Part 139 training, and training with experienced technicians on specific job duties.

Result: Developed PowerPoints for our snow removal equipment. All employees attended the PowerPoint training classes for all the snow equipment. Driver's training was set up with experienced operators of the equipment and new operators were shown the specifics of the equipment they would be responsible for.

Result: Currently implementing the basic training for the rest of the maintenance equipment.

- ➔ 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

Result: Facilities Capital Plan is in its final stages of completion

- ➔ Implement pavement maintenance plan.

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

Result: Pavement Maintenance Plan is still in development

- ➔ Reduce environmental impact with other energy alternatives.

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

Result: The department replaced 14 - 1000-watt fixtures @ 1080 watts each with a 400-watt fixture for a savings of 680 watts or 2,970,240 watts saved each per year or 41,583,360 watts in total. This results in 41,583 kWh reduction at \$.08 providing an annual savings of \$3,326.64 and essentially no maintenance.

Facilities and Maintenance Performance Measures

GOALS	TARGET	ACTUAL FY2020	ACTUAL FY2021	ESTIMATE FY2022	BUDGET FY2023
Annual reduction in energy usage	-3%	-11%	-13%	4%	-3%
Develop 10 year facilities capital plan	Complete	In progress	In progress	In progress	Complete

Facilities and Maintenance Department Budget

CODE/LINE ITEM, Department 05	ACTUAL FY2020	ACTUAL FY2021	BUDGET FY2022	ESTIMATE FY2022	BUDGET FY2023	\$Chg/FY22 Budget	%Chg/FY22 Budget
PERSONNEL SERVICES							
5400 Insurance	\$ 293,030	\$ 285,586	\$ 323,276	\$ 323,000	\$ 362,176		
5450 Overtime	114,807	180,288	163,863	119,402	180,474		
5451 Double time	43,516	58,974	66,359	40,000	73,183		
5500 Payroll taxes	98,133	103,732	131,438	95,205	142,994		
5560 Pension contribution	107,841	139,043	145,874	118,259	132,239		
5600 Salaries/wages	1,183,439	1,240,843	1,373,435	1,230,929	1,558,211		
5605 Outside labor	86,758	-	75,000	-	-		
5610 Pager pay	7,800	7,800	7,800	7,800	7,800		
5700 Tool allowance	1,600	1,800	1,800	1,350	1,800		
5750 Training	1,048	7,911	26,173	1,097	15,000		
5800 Workers compensation insurance	64,818	56,538	71,646	69,274	65,996		
5900 Uniforms	6,992	8,426	9,613	8,451	9,986		
5901 Uniforms-lost,damaged,replaced	176	982	500	725	500		
5903 Uniforms-protective clothing	5,546	5,576	9,000	9,000	9,450		
TOTAL PERSONNEL SERVICES	2,015,503	2,097,498	2,405,777	2,024,492	2,559,808	154,032	6.40%
CONTRACTUAL SERVICES							
6040 Airfield repair	39,255	65,152	32,500	6,550	51,500		
6100 Building repair	43,626	41,864	22,255	35,000	22,255		
6110 Building repair - MRO	125,424	103,817	185,000	12,899	115,000		
6140 Conferences and meetings	198	-	4,250	126	9,350		
6321 Equip maint-repairs/services	25,828	19,111	31,100	13,448	32,300		
6322 Service contracts	202,468	318,890	273,913	147,459	411,438		
6350 Equipment rental	221,144	226,323	201,855	80,997	221,855		
6410 Landscaping	382	5,535	12,500	14,267	6,500		
6480 Licenses, titles and inspections	5,185	4,235	6,585	5,473	6,460		
6510 Medical exams	567	630	700	1,150	700		
6540 Membership dues	6	-	45	-	45		
6600 Other	23	-	1,000	-	1,000		
6630 Parking - management fee	92,813	94,813	95,100	96,500	99,600		
6635 Parking - operations and maintenance	564,964	569,655	680,688	600,000	591,459		
6670 Permits and testing	3,789	2,775	4,950	4,510	4,600		
6751 Telephone-cellular	13,975	14,924	16,200	15,985	18,000		
6752 Telephone-local	19,602	19,301	19,080	19,274	19,748		
6800 Travel and transportation	5,836	1,753	13,600	739	21,600		
6850 Utilities-electric	129,745	133,619	130,000	154,951	145,000		
6851 Utilities-natural gas	40,734	57,992	38,000	8,012	35,000		
6852 Utilities-water	14,271	15,342	12,300	13,014	45,000		
6900 Vehicle maintenance	25,021	260,242	58,000	71,105	52,000		
6950 Waste removal	17,563	19,849	12,800	15,799	12,120		
TOTAL CONTRACTUAL SERVICES	1,592,417	1,975,822	1,852,421	1,317,259	1,922,530	70,109	3.78%
COMMODITIES							
7100 Building repair	12,410	22,355	25,000	32,597	40,000		
7110 Building repair - MRO	236,557	207,346	-	583,168	200,000		
7140 Conferences and meetings	16,110	20,085	9,500	9,500	8,300		
7200 Equipment	31,552	20,048	12,500	12,140	18,400		
7240 Fence/gate	5,249	8,739	10,000	14,586	20,000		
7271 Fuel-diesel	101,445	109,790	100,000	50,000	100,000		
7272 Fuel-unleaded	28,975	28,701	32,000	36,011	32,400		
7273 Fuel-other	2,473	2,666	2,500	1,307	2,000		
7300 Landscaping	2,402	9,470	1,500	11,157	2,500		

Facilities and Maintenance Department Budget

CODE/LINE ITEM, Department 05	ACTUAL FY2020	ACTUAL FY2021	BUDGET FY2022	ESTIMATE FY2022	BUDGET FY2023	\$Chg/FY22 Budget	%Chg/FY22 Budget
7380 Other	-	-	1,000	-	500		
7400 Pavement marking	94,428	40,879	77,250	198,423	142,000		
7440 Pavement repair	45,834	198,342	73,000	113,596	73,000		
7500 Raw materials	2,200	-	3,500	3,500	15,000		
7501 Raw materials-deicing only	711,844	825,196	705,000	705,000	705,000		
7540 Signage	481	-	2,000	-	10,000		
7580 Software	549	-	1,000	-	1,000		
7600 Subscriptions	3,799	4,582	5,049	3,112	4,764		
7660 Supplies-janitorial	2,397	3,573	2,300	1,085	3,500		
7690 Supplies-lighting/electrical (airside)	112,123	153,056	150,000	161,421	165,000		
7720 Supplies-snow removal wafers, blade	67,182	79,112	70,000	130,131	115,000		
7750 Supplies-office	1,136	1,568	1,200	394	1,000		
7780 Supplies-other	8,097	8,681	8,000	11,561	8,000		
7782 Supplies-hardware	9,753	13,042	10,000	15,107	12,000		
7830 Supplies-steel stock	290	903	1,500	-	2,000		
7850 Supplies-storm sewer/drain	-	-	500	-	3,000		
7880 Supplies-welding	3,308	1,429	3,500	3,660	3,500		
7901 Maint-licensed vehicles	24,514	18,139	17,000	20,588	17,000		
7902 Maint-equipment	130,494	166,708	120,000	141,667	150,000		
TOTAL COMMODITIES	1,655,602	1,944,413	1,444,799	2,259,709	1,854,864	410,065	28.38%
OTHER							
8400 Glycol retention treatment facility	92,160	103,069	89,400	102,419	89,400		
8410 Landfill and environmental costs	(843)	203,356	73,000	113,465	150,800		
8415 Property taxes	198,356	208,365	174,000	174,000	200,000		
TOTAL OTHER	289,673	514,790	336,400	389,884	440,200	103,800	30.86%
DEPARTMENT TOTAL	\$5,553,195	\$6,532,522	\$6,039,397	\$5,991,343	\$6,777,402	\$ 738,005	12.22%

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.

FY2023 Initiatives and Goals

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

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

- ➔ Improve workplace safety.

Goal: Implement a safety hazard reporting process that is accessible for all RFD employees.

- ➔ Ensure safe operational status at RFD.

Goal: Replace Runway 07 Precision Approach Path Indicator (PAPI) NAVAID.

- ➔ Implement Safety Management System based on FAA regulations.

Goal: Set standards for the following SMS components: Safety Policy and Goals, Safety Risk Management, Safety Assurance and Promotion of Safety.

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

FY2022 Initiatives and Results

- ➔ 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.

Result: A new yearly performance review process was implemented to enhance employee engagement and feedback. The process assisted by identifying communication and delegation departmental shortcomings.

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

Result: Additional training opportunities were provided to both Operations and Maintenance staff in various capacities. Three Operations employees earned the American Association of Airport Executives (AAAE) Airfield Operations A.C.E certification.

Operations Department Summary (continued)

- ➔ Improve workplace safety.

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

Result: All employees were provided with high visibility clothing. Employees completed monthly required and supplemental safety trainings. Continued to undergo snow removal training and coordination to maintain a safe airfield under any winter weather conditions.

- ➔ 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.

Result: The addition of four MB2 Combinations and two MB4 Snow Blowers have improved RFD's snow removal process by making it more efficient and effective.

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.

- ➔ Implement Safety Management System based on FAA regulations.

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

Result: The SMS FAA policy and regulations for Part 139 airports has not been finalized. The Safety Committee Chair has been tasked to draft a Safety Management System (SMS) plan. The initial step is to conduct safety audits and surveys. The Safety Committee will be reviewing the findings.

Result: RFD conducted a successful Triennial Full-Scale Exercise with the collaboration from RFD's Aircraft Rescue and Firefighting (ARFF), the City of Rockford's Fire Department, and other surrounding mutual aid agencies. This exercise is a requirement set forth by the FAA and must be conducted every three years.

Operations Performance Measures

GOALS	TARGET	ACTUAL FY2020	ACTUAL FY2021	ESTIMATE FY2022	BUDGET FY2023
Ensure safe operational status with improved Nav-aids, perimeter roadway, rescue and firefighting	Zero incidents	0	0	0	0
Improve workplace safety with monthly safety committee meetings	12	6	5	5	6

Operations Department Budget

CODE/LINE ITEM, Department 06	ACTUAL FY2020	ACTUAL FY2021	BUDGET FY2022	ESTIMATE FY2022	BUDGET FY2023	\$Chg/FY22 Budget	%Chg/FY22 Budget
PERSONNEL SERVICES							
5400 Insurance	\$ 122,996	\$ 132,883	\$ 156,281	\$ 143,010	\$ 176,563		
5450 Overtime	55,520	85,661	69,414	69,000	70,053		
5451 Double time	36,930	30,428	29,254	29,000	28,968		
5500 Payroll taxes	37,354	47,111	52,830	50,000	57,009		
5560 Pension contribution	41,085	53,796	59,705	59,000	52,746		
5600 Salaries/wages	429,216	453,277	577,309	520,000	609,475		
5750 Training	3,238	6,380	14,500	2,661	14,500		
5800 Workers compensation insurance	18,446	17,668	24,653	22,000	21,094		
5900 Uniforms	732	2,416	1,200	1,200	1,500		
5901 Uniforms-lost,damaged,replaced	-	158	-	-	-		
5903 Uniforms-protective clothing	2,673	2,047	2,700	2,700	2,250		
TOTAL PERSONNEL SERVICES	748,191	831,825	987,845	898,571	1,034,158	46,313	4.69%
CONTRACTUAL SERVICES							
6140 Conferences and meetings	2,068	100	5,500	2,000	5,500		
6161 ARFF contractual services	669,113	693,398	700,000	701,294	720,000		
6163 LEO contractual services	31,083	10,187	25,000	23,550	25,000		
6322 Service contracts	44,507	46,730	70,310	59,376	78,125		
6350 Equipment rental	1,216	1,059	1,707	945	945		
6510 Medical exams	156	180	500	310	200		
6540 Membership dues	1,871	5,426	2,930	1,700	2,930		
6751 Telephone-cellular	4,450	4,877	4,920	5,756	5,940		
6752 Telephone-local	5,912	6,763	6,650	7,341	6,974		
6800 Travel and transportation	2,998	-	9,575	-	9,575		
TOTAL CONTRACTUAL SERVICES	763,375	768,720	827,092	802,272	855,189	28,098	3.40%
COMMODITIES							
7140 Conferences and meetings	322	138	1,500	466	1,500		
7200 Equipment	8,707	14,393	8,000	8,112	9,950		
7580 Software	-	-	-	-	-		
7600 Subscriptions	29,035	18,562	21,451	19,583	34,751		
7750 Supplies-office	832	370	1,500	520	1,500		
7780 Supplies-other	366	220	2,500	503	2,500		
7810 Supplies-specialty	4,457	7,558	16,000	-	16,000		
TOTAL COMMODITIES	43,717	41,241	50,951	29,184	66,201	15,250	29.93%
DEPARTMENT TOTAL	\$1,555,284	\$1,641,786	\$1,865,888	\$1,730,027	\$1,955,548	\$ 89,661	4.81%

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.

FY2023 Initiatives and Goals

- ➔ Increase land development and maximize airport property occupancy.
Goal: Enter into land leases with developers to expand the cargo community at RFD.
- ➔ Increase cargo volume with existing and potential cargo operators. Increase number of cargo operations with existing and new operators.
Goal: Grow operations and volumes by 10% with existing operators. As well as the addition of at least one new cargo operator.
- ➔ Increase international cargo activity.
Goal: Continue to grow cargo volumes at greater than 10%.
- ➔ Increase international passenger airline activity to utilize the International Arrival Terminal.
Goal: Re-establish international passenger service by partnering with a vacation carrier for seasonal service.
- ➔ Maintain competitive rates and charges to retain current providers and attract new passenger and cargo service.
Goal: Continue to maintain low cost services for airlines and continue to market ease and convenience of RFD.
- ➔ Improve customer interaction opportunities to strengthen customer relationship.
Goal: Increase our social media presence and visibility with the target of 1,000,000 impressions.
- ➔ 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.

FY2022 Initiatives and Results

- ➔ Increase land development and maximize airport property occupancy.
Goal: Construction of a new 100,000 square foot International Cargo Facility. Develop plan to maximize further international cargo facility growth.

Marketing and Development Department Summary (continued)

Result: Completed construction of the 100,000 square foot International Cargo facility and started construction of an additional 50,000 square foot International Cargo Facility.

- 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.

Result: Currently work working with SASI and Air Cargo Consultants on a long-term International Cargo strategy.

- 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

Result: 2021 had a 25% cargo growth rate and passenger numbers did begin to exceed 2019 numbers in November and December.

- 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.

Result: Increased our rates and charges effective January 1, 2022

- Improve customer interaction opportunities to strengthen customer relationship.

Goal: Continue to respond to social media inquiries in a timely manner.

Result: Expanded our social media presence with a new campaign and consistent monthly posts through Facebook and Instagram.

- 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.

Result: Hosted several tours for schools, Kiwanis Club, Roosevelt High School Internship Program.

Marketing and Development Performance Measures

GOALS	TARGET	ACTUAL FY2020	ACTUAL FY2021	ESTIMATE FY2022	BUDGET FY2023
Increase cargo volume with existing and new cargo operations	Top 20	19	17	14	14
Establish international and domestic seasonal flights in support of the travel industry	10% increase	-7%	-25%	43%	-16%

Marketing and Development Department Budget

CODE/LINE ITEM, Department 07	ACTUAL FY2020	ACTUAL FY2021	BUDGET FY2022	ESTIMATE FY2022	BUDGET FY2023	\$Chg/FY22 Budget	%Chg/FY22 Budget
PERSONNEL SERVICES							
5400 Insurance	\$ 40,624	\$ 37,857	\$ 42,038	\$ 42,038	\$ 48,663		
5500 Payroll taxes	16,796	16,152	18,943	18,943	19,831		
5560 Pension contribution	18,512	22,191	22,354	22,354	18,884		
5600 Salaries/wages	235,286	241,513	245,381	245,381	260,104		
5800 Workers compensation insurance	240	292	344	344	234		
TOTAL PERSONNEL SERVICES	311,458	318,005	329,060	329,060	347,716	18,656	0.00%
CONTRACTUAL SERVICES							
6021 Advertising-air service	\$ 275,504	\$ 15,346	\$ 145,000	\$ 17,468	\$ 75,000		
6025 Promotions/sponsorships/events	16,305	2,625	9,300	8,688	21,500		
6027 Internet/web	4,375	5,950	25,000	2,120	50,000		
6121 Incentives-awareness	2,550	1,400	5,000	600	3,000		
6140 Conferences and meetings	18,979	139	20,250	4,177	25,765		
6150 New airline service support	-	-	150,000	-	200,000		
6160 Consulting services	280,115	173,039	168,000	240,904	327,100		
6540 Membership dues	6,598	4,298	4,725	550	4,725		
6670 Permits and testing	61	-	-	-	-		
6730 Printing	197	2,308	10,000	1,338	10,000		
6751 Telephone-cellular	2,859	1,904	2,250	1,774	1,705		
6752 Telephone-local	1,011	1,166	1,159	3,454	1,178		
6800 Travel and transportation	29,841	2,585	23,380	3,758	45,380		
TOTAL CONTRACTUAL SERVICES	638,397	210,760	564,064	284,831	765,353	201,289	35.69%
COMMODITIES							
7140 Conferences and meetings	1,015	285	1,000	1,040	1,000		
7200 Equipment	89	-	6,000	1,788	5,000		
7600 Subscriptions	1,655	1,535	4,049	9,784	9,250		
7796 Supplies-promotional	10,529	12,434	15,000	8,009	10,000		
TOTAL COMMODITIES	13,288	14,255	26,049	20,620	25,250	(799)	-3.07%
DEPARTMENT TOTAL	\$ 963,143	\$ 543,019	\$ 919,173	\$ 634,511	\$ 1,138,319	\$ 219,146	23.84%

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.

FY2023 Initiatives and Goals

- Improve customer interaction opportunities to strengthen customer relationship.

Goal: Continue growing the RFD Ambassador program to pre-Covid numbers. The program provides 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: Replace luggage carts provided to passengers at no cost.

Goal: Improvement to parking flow, valet services, and landscaping at the terminal.

FY2022 Initiatives and Results

- 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.

Result: Maintained Ambassador program with a total of 7 Ambassadors. Most of the Ambassadors have been with RFD for more than 8 years.

Result: RFD and its tenants partnered to provided educational career awareness tours to students from several local high schools.

- Continually improve customer convenience and hospitality to welcome passengers.

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

Results: Enhanced parking services with the addition of a car wash service offered with valet parking.

Result: Continual improvement of customer service by listening and following through on customer comments.

Terminal Services Performance Measures

GOALS	TARGET	ACTUAL FY2020	ACTUAL FY2021	ESTIMATE FY2022	BUDGET FY2023
Grow RFD Ambassador program to 40 volunteers	40	8	7	8	10
Improve customer interaction opportunities to strengthen customer relationships (social media and email)	increase	113.2%	73.6%	20.5%	20.0%

Terminal Services Department Budget

CODE/LINE ITEM, Department 08	ACTUAL FY2020	ACTUAL FY2021	BUDGET FY2022	ESTIMATE FY2022	BUDGET FY2023	\$Chg/FY22 Budget	%Chg/FY22 Budget
CONTRACTUAL SERVICES							
6100 Building repair	\$ 9,543	\$ 19,610	\$ 15,000	\$ 5,000	\$ 18,500		
6321 Equip maint-repairs/services	42,161	57,807	41,950	41,000	34,450		
6322 Service contracts	190,333	198,290	262,674	213,877	273,255		
6350 Equipment rental	10,020	9,990	12,990	9,990	12,990		
6410 Landscaping	3,031	7,657	6,000	10,592	9,000		
6480 Licenses, titles and inspections	3,537	6,769	9,205	5,049	8,620		
6510 Medical exams	220	-	200	-	200		
6600 Other	-	100	500	200	500		
6751 Telephone-cellular	364	159	100	40	41		
6752 Telephone-local	28,782	32,842	31,660	31,606	36,236		
6806 Customer care/customer service	44	-	500	29	500		
6850 Utilities-electric	122,202	121,115	130,500	125,000	135,000		
6851 Utilities-natural gas	26,176	25,939	23,400	25,632	26,000		
6852 Utilities-water and sewer	11,164	9,178	9,300	10,879	11,200		
6950 Waste removal	26,048	24,981	29,250	5,223	5,720		
TOTAL CONTRACTUAL SERVICES	473,625	514,437	573,229	484,116	572,212	(1,016)	-0.18%
COMMODITIES							
7100 Building repair	9,810	4,190	10,000	6,000	15,000		
7140 Conferences and meetings	1,453	1,011	1,800	1,425	1,800		
7200 Equipment	2,613	10,710	9,500	9,500	9,500		
7300 Landscaping	42	616	-	-	-		
7380 Other	338	490	1,000	-	500		
7540 Signage	1,081	2,807	500	500	2,200		
7600 Subscriptions	2,263	2,374	2,589	2,088	2,282		
7660 Supplies-janitorial	8,297	12,067	12,800	12,800	12,000		
7750 Supplies-office	538	145	200	233	500		
7780 Supplies-other	1,011	1,514	1,000	5,000	1,000		
TOTAL COMMODITIES	27,444	35,925	39,389	37,547	44,782	5,392	13.69%
DEPARTMENT TOTAL	\$ 501,069	\$ 550,362	\$ 612,618	\$ 521,663	\$ 616,994	\$ 4,376	0.71%

Non-Operating Revenues and Expenses Budget

CODE/LINE ITEM	ACTUAL FY2020	ACTUAL FY2021	BUDGET FY2022	ESTIMATE FY2022	BUDGET FY2023
NON-OPERATING REVENUE					
9100 Interest income	\$ 32,452	\$ 11,565	\$ 6,000	\$ 26,500	\$ 6,511
9105 Interest income-other	-	4,783	6,266	8,180	6,266
9200 Taxes-property (operating levy)	2,974,630	2,981,932	3,081,884	3,081,884	3,151,661
9205 Property tax interest (operating)	6,782	-	-	-	-
9250 Taxes-corporate replacement	531,766	646,067	550,000	1,200,000	600,000
9260 Gain on sale of assets	103,810	356,542	10,000	416,392	10,000
9270 Passenger facility charges	487,044	366,703	347,642	550,000	435,781
9280 AIP Grant Reimbursement	208,764	-	-	-	-
9281 Current capital contributions-Federal	3,777,977	18,224,460	8,615,637	8,615,637	15,500,000
9282 Intergovernmental contributions	295,404	337,979	319,185	319,185	248,064
9283 Current capital contributions-State	45,781	950,736	-	269,242	900,000
9284 Other capital contributions	-	2,517,841	-	634,775	-
9286 Current Capital Contributions-CARES Act	-	1,105,536	-	-	-
9287 Reimbursement Grant-CARES Act	-	7,599,992	-	5,811,589	-
9288 Reimbursement Grant-CRRSA Act	-	1,830,982	-	399,555	-
9289 Reimbursement Grant-ARPA Act	-	-	-	4,944,122	-
TOTAL REVENUE	8,464,413	36,935,119	12,936,614	26,277,061	20,858,284
NON-OPERATING EXPENSES					
9500 Interest expense	947,363	633,763	1,471,356	1,560,000	1,466,799
9810 Loss on asset disposal	-	5,320	-	-	-
TOTAL EXPENSES	947,363	639,083	1,471,356	1,560,000	1,466,799
NET TOTAL	\$ 7,517,050	\$ 36,296,036	\$ 11,465,258	\$ 24,717,061	\$ 19,391,485

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 FY2023 CIP capital expenditures and detail of individual items to follow:

#	Project Title	Project Description	Authority Share	Total Project Cost
Administration Projects				
1	Reupholster auditorium benches	Reupholster 22 benches in the auditorium	\$10,000	\$10,000
Total Administration Projects			\$10,000	\$10,000
Airside Projects				
2	Construct So Rwy 7/25 Parallel Txy P-Ph 1	Construction So Runway 7/25 Parallel Taxiway (Grading & Drainage)	\$ 290,000	\$ 5,800,000
3	Construct So Rwy 7/25 Parallel Txy P-Ph 2	Construction So Runway 7/25 Parallel Taxiway (Paving & Electrical)	495,000	9,900,000
4	Pavement Repair	Annual capital pavement project	300,000	300,000
5	Generator	Emergency Airfield Generator	60,000	60,000
6	Generator Tap Box	Generator Tap Box	46,700	46,700
7	PAPI Lighting System	Precision Approach Path Indicators Light System	32,000	32,000
Total Airside Projects			\$ 1,223,700	\$ 16,138,700
Landside Projects				
8	Terminal Road Entrance	Reconstruct Terminal Entrance Road including Relocation of Main Terminal Entrance	\$ 100,000	\$ 1,000,000
9	Acquire property on Kishwaukee	Acquire property for future cargo development. Includes environmental review.	195,000	195,000
10	Sealcoating	Pavement maintenance (A, SRE, Tower, AAR)	124,000	124,000
11	Re-Pave 39 & 36 APD	Replace bituminous paving in parking lots (CMT & ARFF)	61,000	61,000
Total Landside Projects			\$ 480,000	\$ 1,380,000
Maintenance Projects				
12	Acquire Snow Removal Equipment	Acquire Snow Removal Equipment	\$ 65,000	\$ 650,000
13	Glycol Recovery/ Containment Sweeper	Replacement for vehicle #48	250,000	250,000
14	Replacement for Vehicle #4	Vehicle #4 replacement F-150 utility bed with accessories	58,594	58,594
15	Replacement for Vehicle #12	Vehicle #12 replacement F-150 utility bed with accessories	58,594	58,594

Capital Improvement Program Summary (continued)

16	Replacement for Vehicle #22	Vehicle #22 replacement F-150 utility bed with accessories	58,594	58,594
17	Energy Upgrades	Energy efficiency projects	30,000	30,000
18	Retention Pond Water Service	Add water service to the retention pond building	30,000	30,000
19	JLG Lift	Repairs and ANSI certification of 66 foot boom lift.	20,000	20,000
20	John Deere Tractor overhaul	John Deere Tractor overhaul	20,000	20,000
21	Tires	Large equipment tires SRE, Loaders, equipment	20,000	20,000
22	Tool Solution	SRE Shop Tools for the maintenance staff/ primer box	15,000	15,000
23	SRE Building Re-Seal	Removal and replacement of Pre-cast joint sealant for 19 year old facility	15,000	15,000
24	Landfill 2	Regrading of watersheds	18,500	18,500
25	Car wash bay	Tear out and replace with manual wash system	15,000	15,000
26	Hangar door replacement	Replace hangar doors at 5121 Falcon	15,000	15,000
27	FOD Razor/Trac Sweep	Additional FOD sweeping equipment	14,000	14,000
28	Jet Bridge #5 Tuckpointing	Tuckpoint and paint JB#5, has control joints failing and needs attention	12,500	12,500
29	Carpet	Replacement carpet for 1601 Grumman Drive	12,000	12,000
30	Skid Loader Bucket	Bucket replacement for 20 plus year old skid loader bucket (#85)	6,500	6,500
Total Maintenance Projects			\$ 734,282	\$ 1,319,282
Operations Projects				
31	Asset Management	Asset Management	\$ 140,000	\$ 140,000
32	Vehicle Replacement	Replacement of 2 Ops vehicles	120,000	120,000
33	Communication Systems	Expansion of our airport communication systems to enhance safety	105,000	105,000
34	Security System Infrastructure	Expand, Replace and Enhance Security system components and infrastructure	40,000	40,000
35	Tires-ARFF	Large equipment tires ARFF trucks	40,000	40,000
36	CBP-IT	Update CBP IT	70,000	70,000
Total Operations Projects			\$ 515,000	\$ 515,000
Terminal Projects				
37	Shuttle Van	Shuttle Van for passenger transport	\$ 50,000	\$ 50,000
38	Re-pipe boiler	Re-pipe boiler in terminal	40,000	40,000
39	Landscaping	Terminal landscaping	40,000	40,000
40	Luggage carts	30 luggage carts for terminal	15,000	15,000
41	Tables & chairs	Replace tables and chairs at restaurant	15,000	15,000
Total Terminal Projects			\$ 160,000	\$ 160,000
Total			\$ 3,122,982	\$ 19,522,982

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		
Pavement Repair	Extends life	25,000
Generator	Extends life	10,000
PAPI Lighting System	Staff time for repairs	2,964
Total Airside Projects		\$ 37,964
Landside Projects		
Re-Pave 36 & 39 Airport Drive	Staff time for repairs	2,371
Total Landside Projects		\$ 2,371
Maintenance Projects		
Energy Upgrades	Utility usage and staff time	16,400
Glycol Recovery/Containment Sweeper	Staff time for repairs	5,928
JLG Lift Repairs	Repairs and rental	5,000
Retention Pond Water Service	Improve safety and staff time	2,964
John Deer Tractor Overhaul	Extends life and staff time for repairs	1,482
FOD Razor/Trac Sweep	Improve safety and reduces staff time	925
Replacement for vehicle #4	Staff time for repairs and maintenance	593
Replacement for vehicle #12	Staff time for repairs and maintenance	593
Replacement for vehicle #22	Staff time for repairs and maintenance	593
Total Maintenance Projects		\$ 34,478
Operations Projects		
Asset Management	Staff time	5,000
Total Operations Projects		\$ 5,000
Terminal Projects		
Shuttle Van	Staff time for repairs and maintenance	5,928
Total Terminal Projects		\$ 5,928
Total Operating Budget Cost Impact		\$ 85,741

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 FY2023	ESTIMATED FY2024	ESTIMATED FY2025	ESTIMATED FY2026	ESTIMATED FY2027
GRAA CONTRIBUTIONS					
Admin Projects	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Airside Projects	1,223,700	1,513,500	1,640,000	1,697,500	1,135,000
Landside Projects	480,000	-	1,100,000	-	-
Maintenance Projects	734,282	719,000	162,000	250,000	120,000
Operations Projects	515,000	340,000	55,000	55,000	55,000
Terminal Projects	160,000	-	200,000	-	-
GRAA TOTAL	3,122,982	2,572,500	3,157,000	2,002,500	1,310,000
FEDERAL AND STATE GRANTS					
Airside Projects	14,915,000	22,106,500	25,460,000	25,052,500	15,865,000
Landside Projects	900,000	-	9,900,000	-	-
Maintenance Projects	585,000	-	-	1,170,000	-
Operations Projects	-	810,000	-	-	-
Terminal Projects	-	-	1,800,000	-	-
FEDERAL TOTAL	16,400,000	22,916,500	37,160,000	26,222,500	15,865,000
ESTIMATED TOTAL	\$ 19,522,982	\$ 25,489,000	\$ 40,317,000	\$ 28,225,000	\$ 17,175,000



Exhibit 1-Tentative Budget and Appropriation Ordinance

Tentative Budget and Appropriation Ordinance GREATER ROCKFORD AIRPORT AUTHORITY RESOLUTION NO. 22-05

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, 2022 and ending April 30, 2023;

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, 2022 and ending April 30, 2023 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, 2022 and ending April 30, 2023 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 28, 2022 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. 22-05

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 Agnew that Resolution Number 22-05 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 24th day of March 2022 by the Chairman and the Board of Commissioners of the Greater Rockford Airport Authority, Winnebago County, Illinois.

(Signed March 24, 2022)
Paul R. Cicero, Chairman

ATTEST:

(Signed March 24, 2022)
Thomas Myers, Vice Chairman

Exhibit 2-Rates and Charges

Chicago Rockford International Airport (RFD) Rates and Charges Effective January 1, 2022

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

Aircraft Turn Fee *(per operation)*

Fee will cover the first 6 hours that a cargo aircraft is parked. At 6 hours + 1 min the remaining balance of the 24 hour parking fee will be assessed.

Group 1	\$0.00
Group 2	\$50.00
Group 3	\$250.00
Group 4	\$500.00
Group 5	\$500.00
Group 6	\$500.00

Aircraft Parking Fee *(per day rates)*

Fee will be charged after 6 hours to 24 hours. At 24hr +1 min a new parking fee will be assessed. Based on size of aircraft. The following fees will not apply to general aviation or corporate aircraft.

Group 1	\$25.00
Group 2	\$200.00
Group 3	\$500.00
Group 4	\$800.00
Group 5	\$1,000.00
Group 6	\$1,200.00

Long term parking rates are subject to agreement and availability.

Exhibit 2-Rates and Charges (continued)

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.

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

Exhibit 2-Rates and Charges (continued)

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
Fines <i>(scale based on severity and frequency of violation)</i>	
Security system false alarm	\$25.00
Security system false alarm requiring an Operations response	\$75.00
Unauthorized SIDA Entry/Exit <i>(per occurrence)</i>	\$500-\$5,000
Improper use of RFD ID media - <i>(Includes ID media revocation)</i>	\$500-\$5,000
Operation of an out of service vehicle on RFD AOA non-movement area <i>(per occurrence)</i>	\$500-\$5,000
Lost Premise key <i>(Plus the cost to re-key all locks affected including labor to disassemble if necessary.)</i>	\$500-\$5,000
Airfield incursions/TSA violations <i>(The Violator is also responsible for all costs/fines levied to RFD by FAA/TSA or other agencies)</i>	\$500-\$5,000
Service Fees	
Escort fee per 1 hour minimum - billed in hour increments	\$75.00/hr
After hours escort fee per 1 hour minimum - billed in hour increments	\$100.00/hr
Maintenance fee for snow removal (minimum 1 hour)	\$100.00/hr
Equipment Usage fee/per hour plus labor fee	\$200.00/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	2
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.
	Amazon Cargo Facility	192,000 sq. ft.
	Airside Cross dock Buildings	48,600 sq. ft.
	Midfield Cargo Building #1	90,000 sq. ft.
	Midfield Cargo Building #2	100,000 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
2017	\$2,680,628,000	
2018	\$2,787,979,000	4.00%
2019	\$2,963,183,000	6.28%
2020	\$3,122,476,000	5.38%
2021	\$3,300,168,000	5.69%

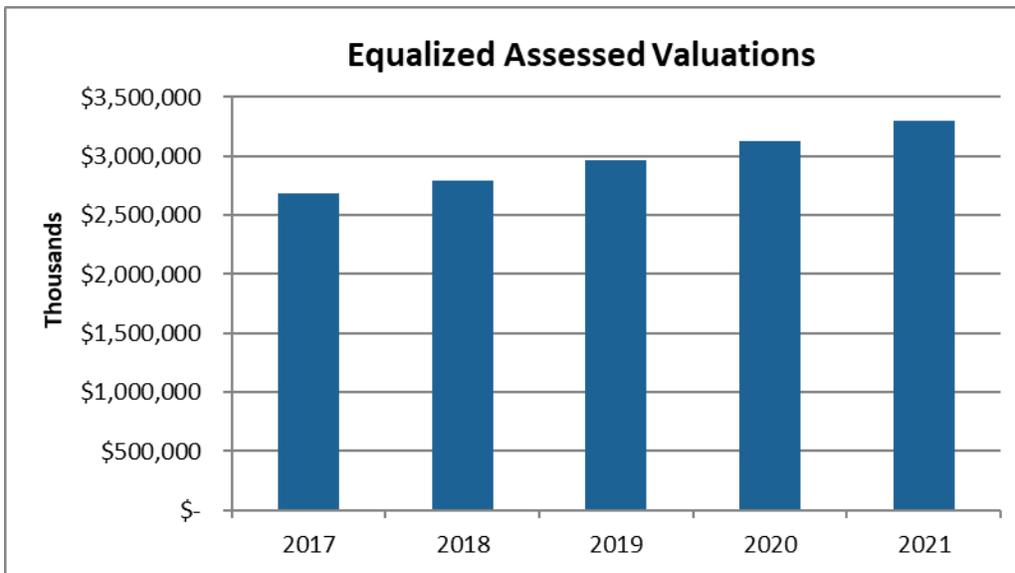


Exhibit 3-Statistics (continued)

Bond Rating	1999 A3
	2000 A2
	2001 A2
	2002 A2
	2003 A1
	2021 Aa3

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

Airport Operations

	<u>CY2017</u>	<u>CY2018</u>	<u>CY2019</u>	<u>CY2020</u>	<u>CY2021</u>
Air Carrier	12,204	17,810	19,541	22,380	24,224
Air Taxi	1,363	1,289	1,223	723	1,212
GA Local	9,051	5,375	5,820	6,113	7,411
GA Itinerant	15,151	14,488	13,457	12,514	13,369
Military	1,693	1,496	1,357	1,031	1,045
Total	39,462	40,458	41,398	42,761	47,261

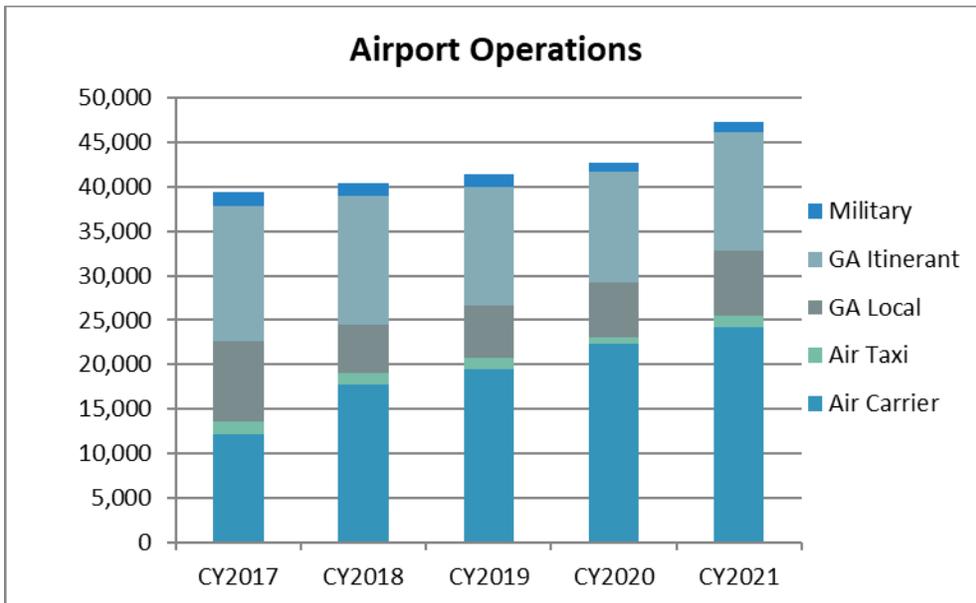
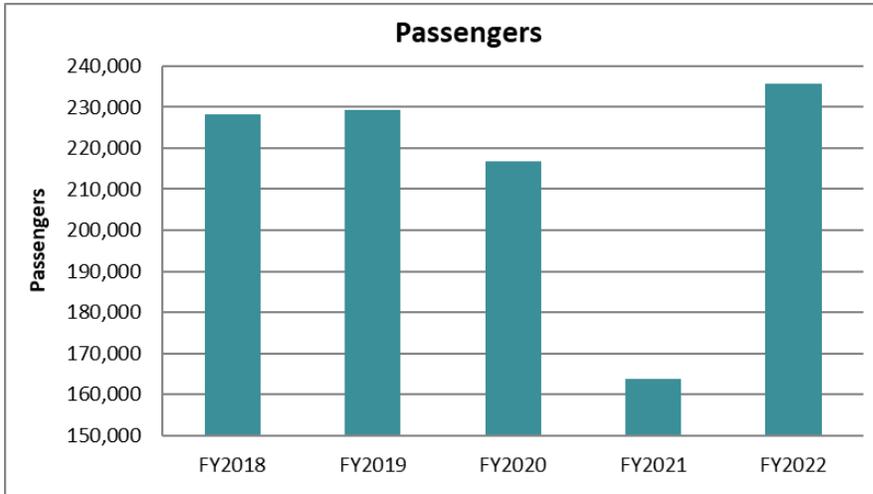


Exhibit 3-Statistics (continued)

Passengers

		% Change
FY2018	228,276	
FY2019	229,199	0.40%
FY2020	216,868	-5.38%
FY2021	163,910	-24.42%
FY2022	235,586	43.73%



Cargo Aircraft Landed Weight (lbs.)

		% Change
FY2018	1,668,351,840	
FY2019	2,146,277,900	28.65%
FY2020	2,574,036,170	19.93%
FY2021	2,872,406,610	11.59%
FY2022	3,541,978,087	23.31%

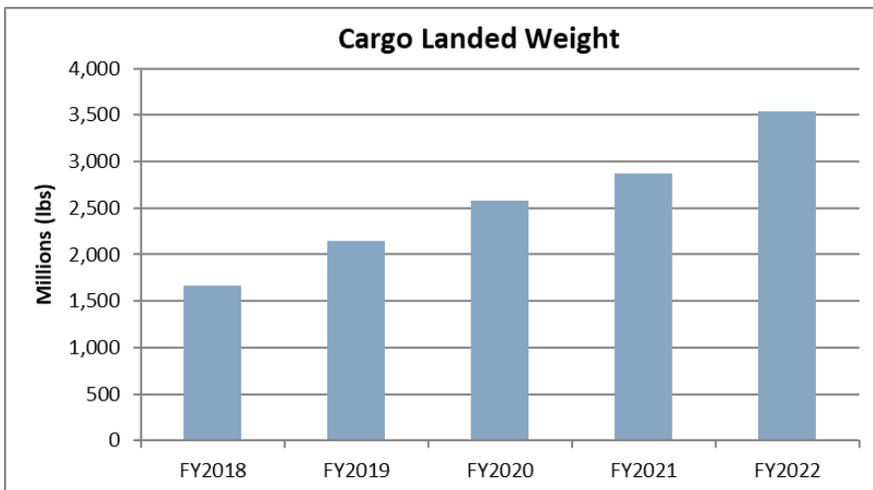
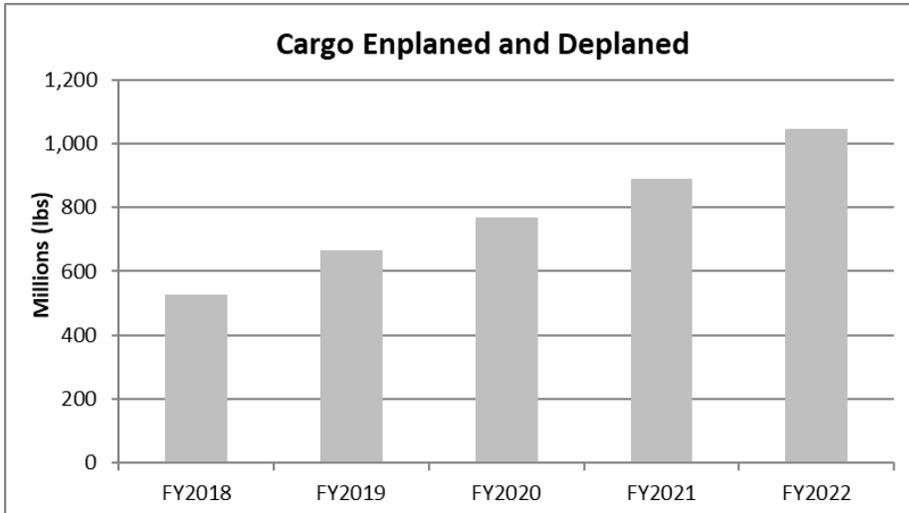


Exhibit 3-Statistics (continued)

Cargo Enplaned and Deplaned (lbs.)

		% Change
FY2018	526,264,541	
FY2019	665,416,248	26.44%
FY2020	769,586,062	15.65%
FY2021	890,733,886	15.74%
FY2022	1,046,314,202	17.47%



Fuel Flowage (gallons)

		% Change
FY2018	17,957,741	
FY2019	25,495,761	41.98%
FY2020	27,297,232	7.07%
FY2021	36,253,814	32.81%
FY2022	54,507,916	50.35%

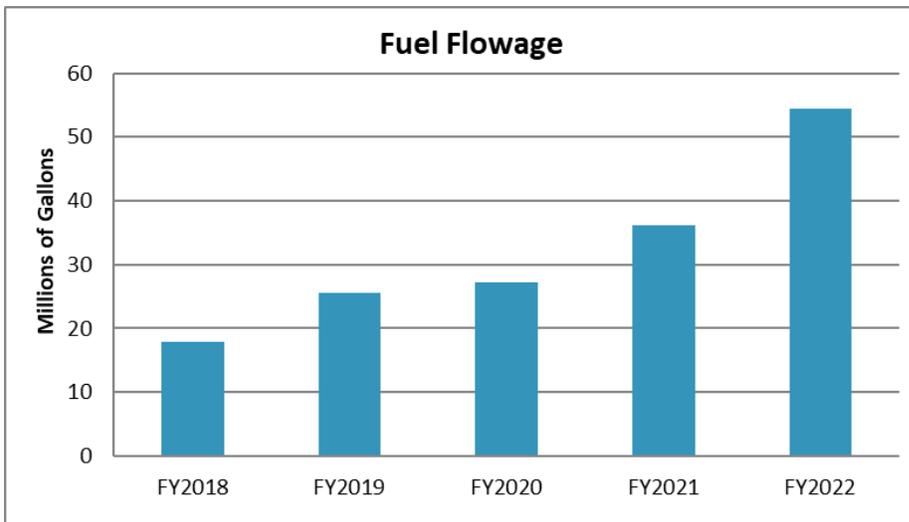


Exhibit 4-Budget and Appropriation Ordinance

ORDINANCE NO. 22-01

FISCAL YEAR 2023 BUDGET AND APPROPRIATION ORDINANCE

CERTIFICATE

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

"GREATER ROCKFORD AIRPORT AUTHORITY BUDGET AND APPROPRIATION ORDINANCE FOR THE FISCAL YEAR BEGINNING May 1, 2022 AND ENDING April 30, 2023,"

unanimously passed at a regular meeting of the Board of Commissioners (the "**Board**") of the Authority at which a quorum of the Board was present, and held at the offices of the Authority at 60 Airport Drive, Rockford, Illinois, on April 28, 2022 having complied with the provisions of the Open Meetings Act (5 ILCS 120/1 *et. seq.*).

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

IN TESTIMONY WHEREOF, I have set my hand and affixed the corporate seal of the Authority this 28th day of April 2022.

[SEAL]

(signed April 28, 2022)
Paul R. Cicero
Chairman, Board of Commissioners
Greater Rockford Airport Authority

Exhibit 4-Budget and Appropriation Ordinance (continued)

ORDINANCE NO. 22-01

GREATER ROCKFORD AIRPORT AUTHORITY BUDGET AND APPROPRIATION ORDINANCE

FOR THE FISCAL YEAR
BEGINNING May 1, 2022 AND ENDING April 30, 2023

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, 2023, 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 28, 2022

Notice of Public Hearing
Published on March 28, 2022

Public Hearing held
(at 5:00 p.m. Central Daylight
Savings time, pursuant to Notice) April 28, 2022

Section 2. Appropriations.

For the fiscal year ending April 30, 2023, there is hereby appropriated for the corporate purposes of the Greater Rockford Airport Authority the total sum of \$16,098,573 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, 2022 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>aye</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 28, 2022.

(signed April 28, 2022)
Paul R. Cicero
Chairman, Board of Commissioners
Greater Rockford Airport Authority

ATTEST:

(Signed April 28, 2022)
Pat Agnew
Treasurer, Board of Commissioners
Greater Rockford Airport Authority

Exhibit 4-Budget and Appropriation Ordinance (continued)

ORDINANCE NO. 22-01

2022-2023 BUDGET AND APPROPRIATION ORDINANCE

CERTIFICATE

I, Pat Agnew, Treasurer of the Board of Commissioners of the Greater Rockford Airport Authority, Winnebago County, Illinois (the "**Authority**"), a municipal corporation of the State of Illinois, certify that I am 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 28th day of April 2022.

[SEAL]

(Signed April 28, 2022)

Pat Agnew
Treasurer, Board of Commissioners
Greater Rockford Airport Authority

Exhibit 4-Budget and Appropriation Ordinance (continued)

ESTIMATED REVENUES BY SOURCE FISCAL YEAR 2023

EXPECTED CASH FLOW DURING THE YEAR:

SOURCES

Operating Budget Revenue	\$	16,098,574
Non-Operating Revenue		622,777
Tax Levy		3,151,661
Passenger Facility Charges		435,781
Other Financing Services		16,648,064
		<hr/>
Total Sources	\$	36,956,857
Beginning Fund Balance, FY23		21,199,593
		<hr/>
Total Sources and Fund Balance	\$	58,156,450
		<hr/> <hr/>

USES

Operating Expenditures	\$	12,836,479
Non-Operating Expenditures		1,466,799
Debt Service		3,063,652
Capital Expenditures		19,522,982
		<hr/>
Total Uses	\$	36,889,912
Ending Fund Balance, FY23		21,266,538
		<hr/>
Total Uses and Ending Fund Balance	\$	58,156,450
		<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.

AOA – Airport Operations Area

ARFF – Aircraft Rescue and Fire Fighting.

The Authority – Refers to the Greater Rockford Airport Authority

Balanced Budget – a budget where the revenues equal 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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