
Annual Budget & Appropriation Ordinance

GREATER ROCKFORD AIRPORT AUTHORITY
FOR THE FISCAL YEAR OF 2024

ROCKFORD, ILLINOIS

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2024



Fiscal Year 2024
Annual Budget and Appropriations Ordinance

For the period of May 1, 2023 - April 30, 2024

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, Assistant Secretary
Michael Schablaske, Treasurer
Leslie West, Assistant Treasurer
Tonya Lamia, Commissioner

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 28, 2023

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 on April 27, 2023. 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 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 FY2024 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 departmental budgets for the year.

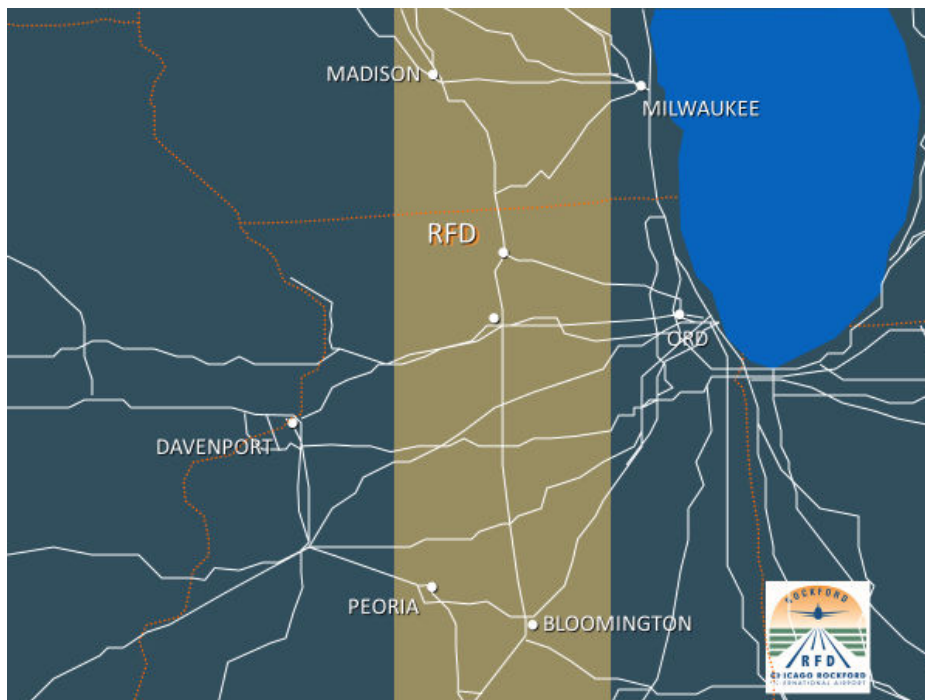
Overview and Economic Conditions

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 at 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 335,000 people. The region is considered an excellent location for aerospace, manufacturing, logistics services, warehouses, and distribution centers. The number of employed individuals in the county is over 150,000. Business growth continues and employment needs are increasing. The unemployment rate increased from 5.1% to 6.8% for Winnebago County over the last year. The increase was primarily due to a major automobile assembly plant in the area shutting down after nearly 60 years, laying off over 1,300 workers and impacting hundreds of others working for nearby suppliers. 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 have increased 6,700 from a year ago and 7,700 from two years ago.

Overview and Economic Conditions (continued)

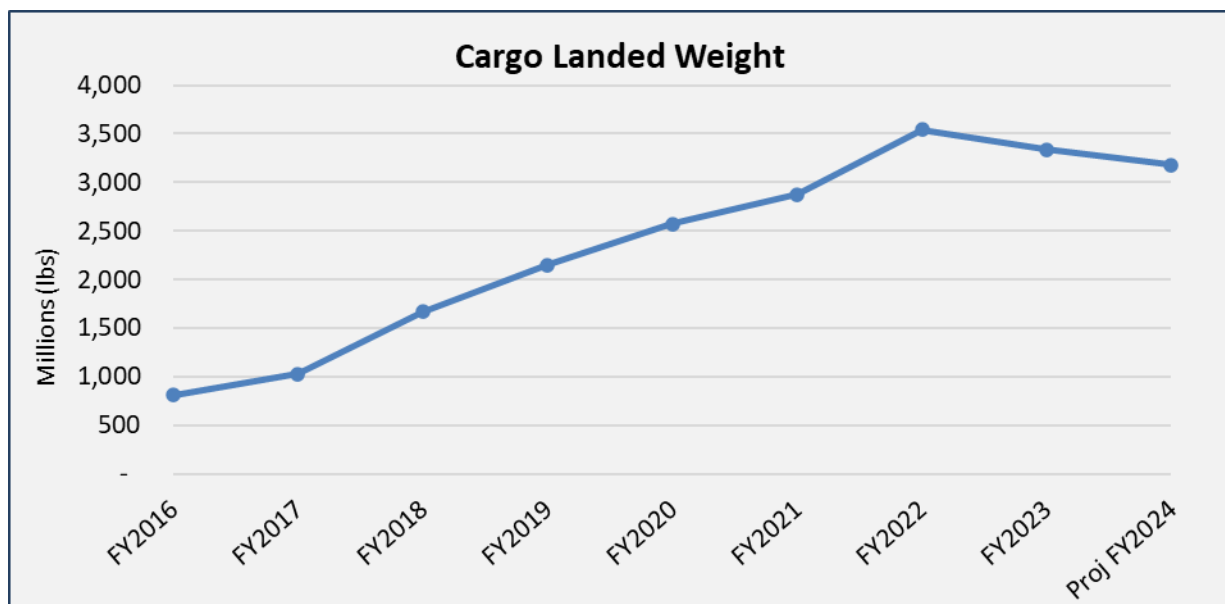
The financial condition of the Authority is primarily dependent upon the amount of aircraft utilization at RFD. That utilization, in turn, is dependent upon several factors: the amount of cargo that flows through RFD; the number of passenger airlines that service RFD; the number of passengers that use 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 13th largest cargo airport in the United States. The annual total of gross landed weight for all cargo aircraft for fiscal year 2023 was down 5.84%. The downturn in cargo was seen industry wide; however, RFD saw less of an impact than some larger airports experienced. FY2024 budget projects a 4.65% decrease in cargo weight due to an anticipated continued decline in cargo activity as international passenger travel continues its return to pre-pandemic levels. There are early indicators that air cargo will return to a growth mode by the 2nd quarter of 2024. Until then we do expect the market to remain steady with little or no growth.

RFD is the second largest UPS hub in North America. UPS landing fee revenue will continue to remain steady and be a significant part of The Authority's revenue. During FY2024, we expect UPS to maintain similar operational frequency, but we may see a larger aircraft be placed on routes as volumes improve as the year moves on.

Amazon Air is operating a regional gateway at RFD. Currently there are three cargo carriers, ABX, Atlas Air and Air Transport International (ATI), serving the Amazon Air operation. Amazon Air operations are forecasted to slightly exceed FY2023 numbers, due to an additional daily flight being added to the facility. This flight brings the facility up to ten (10) daily flights.

RFD has completed the construction of its third international cargo building at 50,000 square feet, bringing the total international cargo space to 240,000 square feet. Construction was also completed on the new access road that provides a safer, more efficient flow of traffic to and from the midfield facilities. These infrastructure improvements 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.

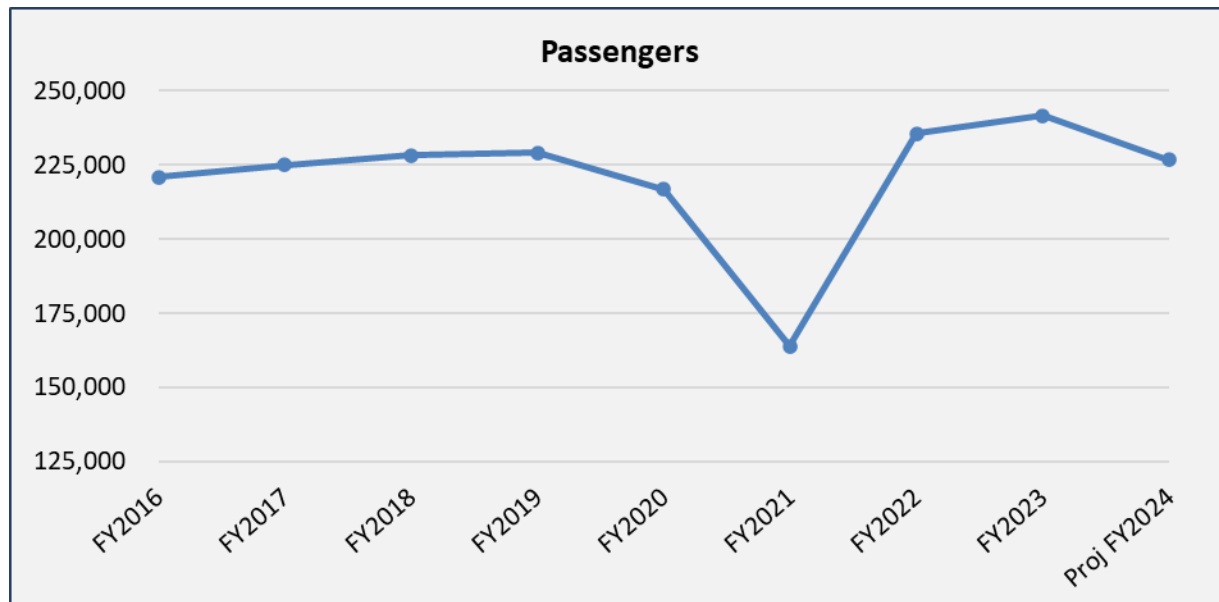


Overview and Economic Conditions (continued)

RFD is a United States Customs Port of Entry and grantee of Foreign Trade Zone (FTZ) #176. The 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 opportunities, create jobs and assist local companies to compete more effectively in the global marketplace. FTZ utilization is anticipated to remain steady during FY2024.

Passenger service is a high priority at RFD as provided in the renovated 40,000 square foot terminal. The terminal offers five passenger gates and is home to Skyview Café concessions and two rental car agencies. Allegiant is now serving six destinations out of RFD and accounts for 100% of all seats currently available. 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 work with airlines in an effort to get international service returned. Passenger service experienced an increase of 2.52% over FY22's record number of passengers. RFD continues to experience passenger growth as domestic travel surpasses pre-pandemic levels.

Although RFD is seeing record numbers for passenger travel, we do not expect that trend to continue; therefore, RFD is projecting a 6.1% decrease from FY23. Projected volumes will return us to pre-pandemic levels.



Budget Overview

The budget presented has many highlights discussed in subsequent sections. Operating revenue is budgeted at \$17,226,710 for FY2024. This is an increase of 7.01% from the prior year's budget, mainly related to the addition of fuel flowage fees. Operating expenses are budgeted at \$13,688,714, which is a 6.64% increase compared to the prior year's budget due to increased staffing and inflation in contractual services.

	Actual FY2022	Budget FY2023	Estimated FY2023	Budget FY2024
Operating Revenue	\$ 16,117,777	\$ 16,098,573	\$ 16,946,213	\$ 17,226,710
Operating Expense	(11,183,874)	(12,836,479)	(12,732,864)	(13,688,714)
Net Operating Revenue/(Expense)	4,933,903	3,262,094	4,213,349	3,537,996
Non-operating Revenue (Expense)	28,705,301	19,391,484	13,671,730	12,194,942
Debt service principal payments	(24,074,165)	(3,063,652)	(3,063,624)	(3,097,665)
Debt Service Issued	49,995,000	-	-	-
Net before Capital	59,560,039	19,589,926	14,821,455	12,635,273
Capital Improvement Program	(45,829,181)	(19,522,982)	(12,291,581)	(12,509,220)
Excess Funds	\$ 13,730,858	\$ 66,944	\$ 2,529,874	\$ 126,053

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. Projections are made based on historical performance with adjustments made based on anticipated future changes. Projections help with future planning, especially related to capital improvements and how to best prioritize projects based on anticipated funds available. Current projections indicate that revenues will continue to support expenses for the next five years, including capital improvement. FY2025's capital improvements are significant. They are partially funded by equipment reserves being held for that purpose. In years three and four, there is an opportunity to provide additional capital improvement beyond what is currently projected, or shift capital improvements from FY2025 to future periods.

	Budget FY2024	<i>Projected FY2025</i>	<i>Projected FY2026</i>	<i>Projected FY2027</i>	<i>Projected FY2028</i>
Operating Revenue					
Operating Revenue	\$ 17,226,710	\$ 17,738,244	\$ 18,266,588	\$ 18,812,319	\$ 19,376,035
Operating Expense	(13,688,714)	(14,345,111)	(15,034,644)	(15,759,094)	(16,520,347)
Net Operating Revenue	3,537,996	3,393,133	3,231,944	3,053,225	2,855,688
Non-Operating Revenue	12,194,942	50,837,805	44,885,729	20,007,558	45,257,583
Debt Service	(3,097,665)	2,861,151	(3,185,982)	(3,238,700)	(3,301,825)
Net before Capital	12,635,273	57,092,090	44,931,691	19,822,084	44,811,447
Capital Improvement Program	(12,509,220)	(56,616,000)	(43,625,000)	(17,175,000)	(43,825,000)
Excess Funds	\$ 126,053	\$ 476,090	\$ 1,306,691	\$ 2,647,084	\$ 986,447

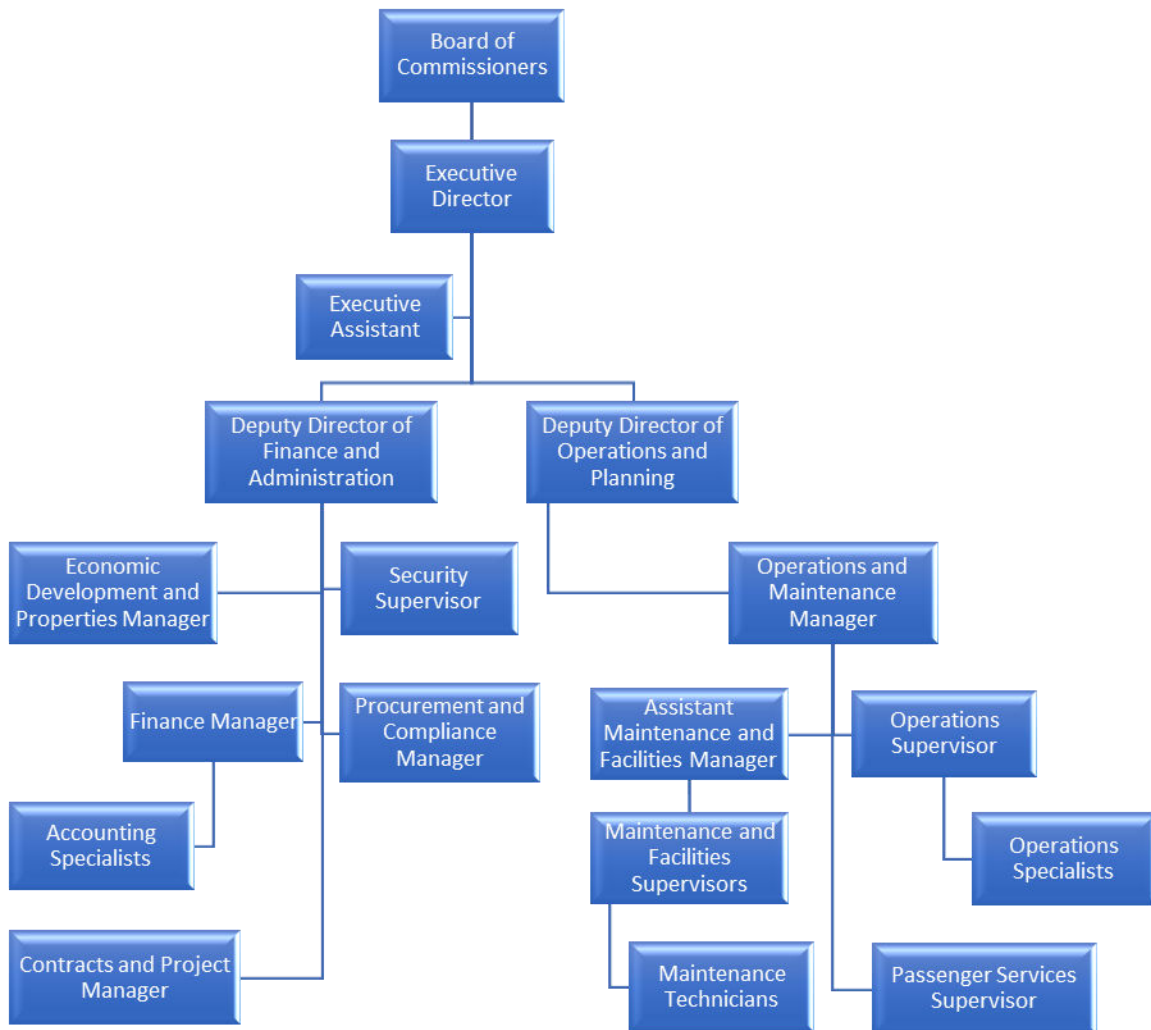
Organization

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 FY2024, airport staff is expected to grow to 53 employees (including seven Commissioners). Marketing and Development staff now show zero as they have been combined with Administration and Finance. Staffing has increased due to the continued growth of cargo operations and airfield infrastructure.

Department	FY2022 Budget	FY2023 Budget	FY2024 Budget
Airport Commissioners	7	7	7
Administration and Finance	8	9	11
Facilities and Maintenance	22	23	26
Operations	9	9	9
Marketing and Development	2	2	0
Total Organization	48	50	53

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 FY2024. 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:

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

Strategic Plan (continued)

ECONOMIC AND BUSINESS DEVELOPMENT		
Key Objective: Expand cargo service to increase economic impact and viability		
INITIATIVES		
Increase cargo volume with existing and potential cargo operators	Increase number of international cargo carriers and operations with existing cargo carriers.	Increase international cargo activity
TARGETS		
Ranking: Top 12 Landed weight increase: 5%	New international cargo operators: 1 International operation increase: 20% Overall cargo increase: 5%	International landed weight: 20% increase
PERFORMANCE MEASURES		
FAA Ranking, Annual Cargo Landed Weight	Number of new cargo operators and operations	Increase in international landed weight
OPERATIONS AND FACILITIES		
Key Objective: Provide a safe and secure airport		
INITIATIVES		
Ensure safe operational status with improved Nav-aids, perimeter roadway, rescue and firefighting	Improve work place safety	Implement Safety Management System based on FAA regulations
TARGETS		
Zero incidents	Quarterly Safety Committee Meetings	SMS Compliance in 24 months
PERFORMANCE MEASURES		
FAA Annual Certification	TSA Audit, OSHA reporting, and monthly safety inspections	SMS Safety Program
Key Objective: Improve and upgrade infrastructure condition		
INITIATIVES		
Expand work order system to further improve efficiencies and measure future needs	Evaluate airport readiness for electrification and sustainability of electric aircraft	Develop facilities capital plan and improve pavement maintenance plan
TARGETS		
Continue growth of Cityworks to include all airport assets and work order activities	Work with local utility providers to enhance safety and operational integrity of RFD	Follow 10 year plan and budget forecast to support plan
PERFORMANCE MEASURES		
Monthly Cityworks reports presented to staff and board	Airside/street side and facility improvements	Completed plan and budget
Key Objective: Protect and enhance the environment		
INITIATIVES		
Utilize and expand alternative energy efficiencies	Reduce environmental impact with other energy alternatives	
TARGETS		
3% reduction in energy usage per year	Reduce carbon footprint	
PERFORMANCE MEASURES		
Energy savings and use of alternative energy	Energy usage and other measures	

Strategic Plan (continued)

PASSENGER EXPERIENCE AND COMMUNITY INVOLVEMENT		
Key Objective: Expand passenger service to respond to regional demand		
INITIATIVES		
Maintain competitive rates and charges to retain current providers and attract new passenger service	Establish international and domestic seasonal flights in support of the travel industry	Engage with community to have a better local presence and increase passenger growth
TARGETS		
Ranking: Top 200; added destinations, carriers, and increased frequency of existing routes	Passenger increase: 10% increase in available seats in market	Increased passenger retention in local area and increased usage by areas outside of our catchment area
PERFORMANCE MEASURES		
FAA Airport Ranking	Increase in international and/or domestic destinations.	Increase in passenger growth
Key Objective: Provide exceptional and continuously improving customer service		
INITIATIVES		
Improve customer interaction opportunities to strengthen customer relationships	Continually improve customer convenience and hospitality to welcome passengers	
TARGETS		
Social media, Constant Contact, appreciation events, paid parking app usage.	Grow volunteer program to 15 volunteers	
PERFORMANCE MEASURES		
Increase in social media reach and usage of paid parking link on website by passengers	At least one volunteer per scheduled flight	
Key Objective: Excel as a community partner for the region		
INITIATIVES		
Develop collaborative opportunities for promotion, education and recruitment through various businesses and community events and tours		
TARGETS		
Continue and/or increase participation		
PERFORMANCE MEASURES		
Increased participation in local business and community events		

A progress report on initiatives outlined in the FY2023 adopted budget and goals for the FY2024 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 a maturity of three months or less when purchased to be cash equivalents.

Investments are stated at fair value. Fair value is determined 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 public funds in certain types of securities 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 or aggregate purchase 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 half-year 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 disasters, 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:

- Retain 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 investment accounts that allow for projected needs of reserves as well as the ability to earn interest income where appropriate.

The target amounts are based on recommendations 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 (2.30%) of the total assessed valuation. The 2.30% 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 \$.096 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 \$4,300 annually for each participant.

Rates and Charges

The Authority periodically approves a Rates and Charges Policy by resolution. The charges incorporated therein are determined by examining costs associated with the revenue stream. Rates and Charges were reviewed and amended in August 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. The Authority reviews policies on a regular basis to make sure they are current and meet compliance requirements.

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 schedule for this process was as follows:

Budget Process (continued)

Description	Deadline
Review Capital Needs for Next Five Years	11/29/2022
Review Current Year Budget and YTD	11/29/2022
Distribute Budget Worksheets	11/29/2022
Meet with Individual Departments on Budgets	12/6 - 8/2022
Completed Budget Worksheets Returned to Finance	01/10/2023
Capital Budget Finalization – Current Year Funding	02/03/2023
Finance Review and Compilation of Budget Worksheets	02/10/2023
Meet with Departments to Review/Update Goals	02/15/2023
Final Review of Budget Reports	03/01/2023
Draft Budget presented at Planning and Finance Meeting	03/16/2023
Approval of Tentative Budget by Board of Commissioners	03/23/2023
Notice Published for Public Hearing	03/24/2023
Public Hearing of Budget	04/27/2023
Final Approval of Budget by Board of Commissioners	04/27/2023

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 budget 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, 2022. This was the twenty-fourth 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, an operations guide, a financial plan, and 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, 2022

Christopher P. Morill

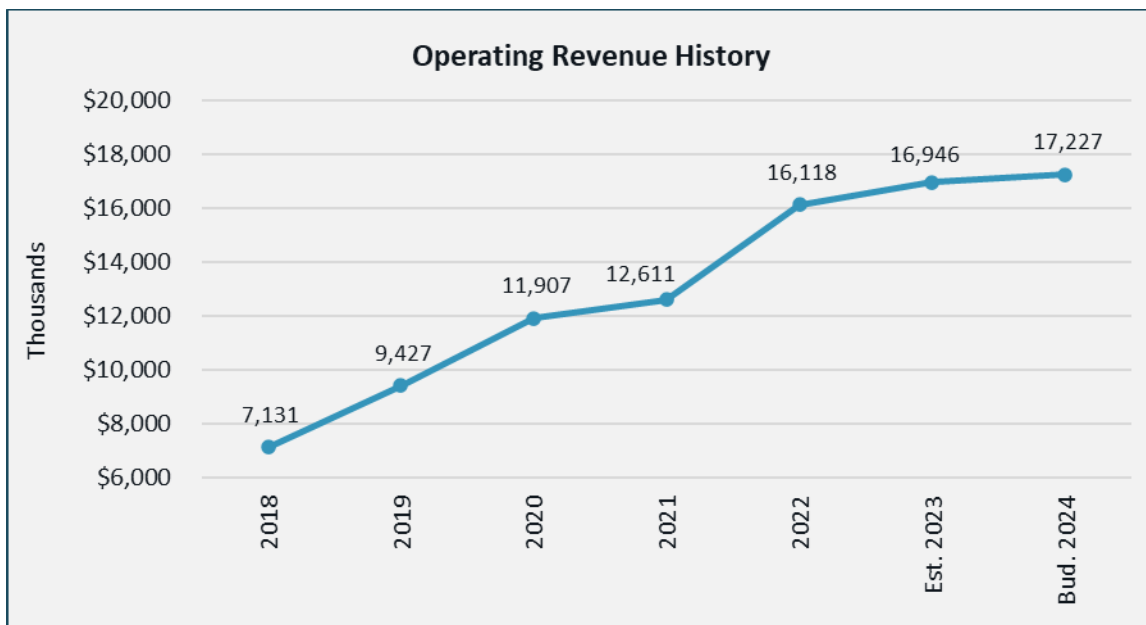
Executive Director

Revenues

Two types of revenues are budgeted, operating and non-operating. Operating revenue is derived from the day-to-day operations of the airport and includes landing fees, fuel flowage fees, hangar leases, land leases, building leases, aircraft parking and landing fees, 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 continues to see increasing passenger services as we have surpassed pre-pandemic levels. Increases in lease revenue and paid passenger parking as well as the implementation of fuel flowage fees are the major factors of revenue increases. The FY2024 budget includes a 7.01% increase in budgeted operating revenue.

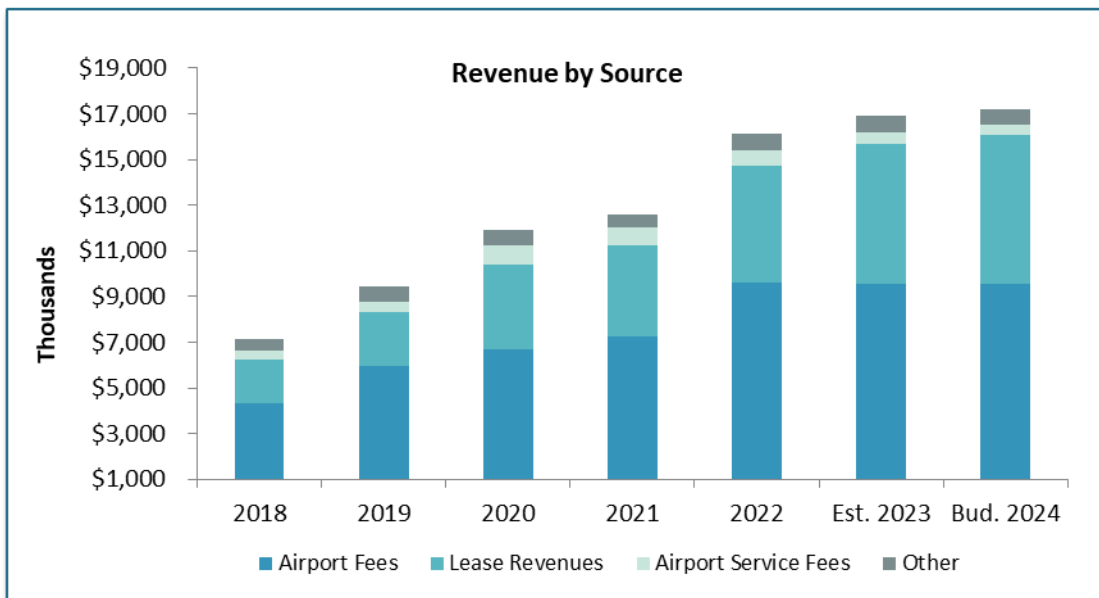


Non-operating revenues consist predominantly of the property tax levy, but also include replacement taxes and interest income collected on Authority deposits. Property taxes are levied to cover certain operating expenses. The total levy is approximately \$.096 per \$100 of assessed valuation and the 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.

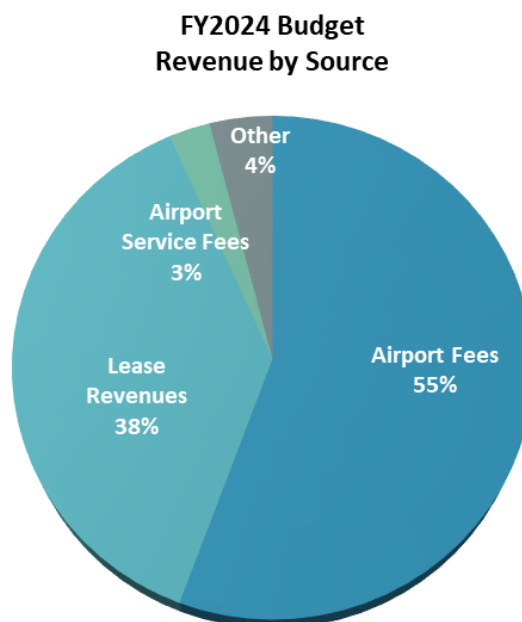
Revenues (continued)

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 remained flat over the prior year’s results, however, lease revenues have continued to increase.

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).



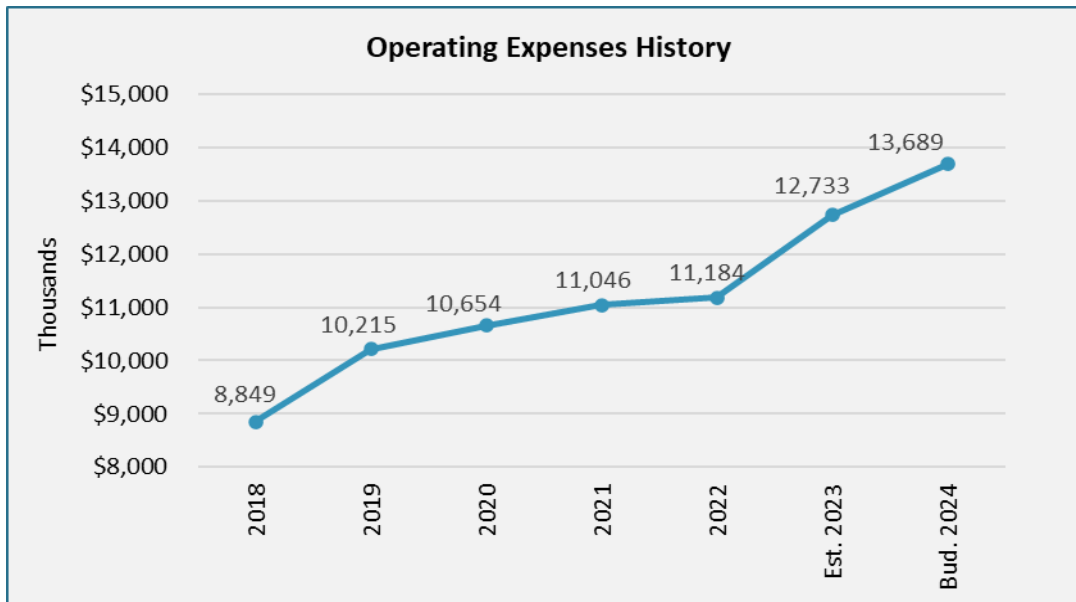
The chart below shows the FY2024 revenue budget by source. The primary source of the revenue is derived from Airport Fees.



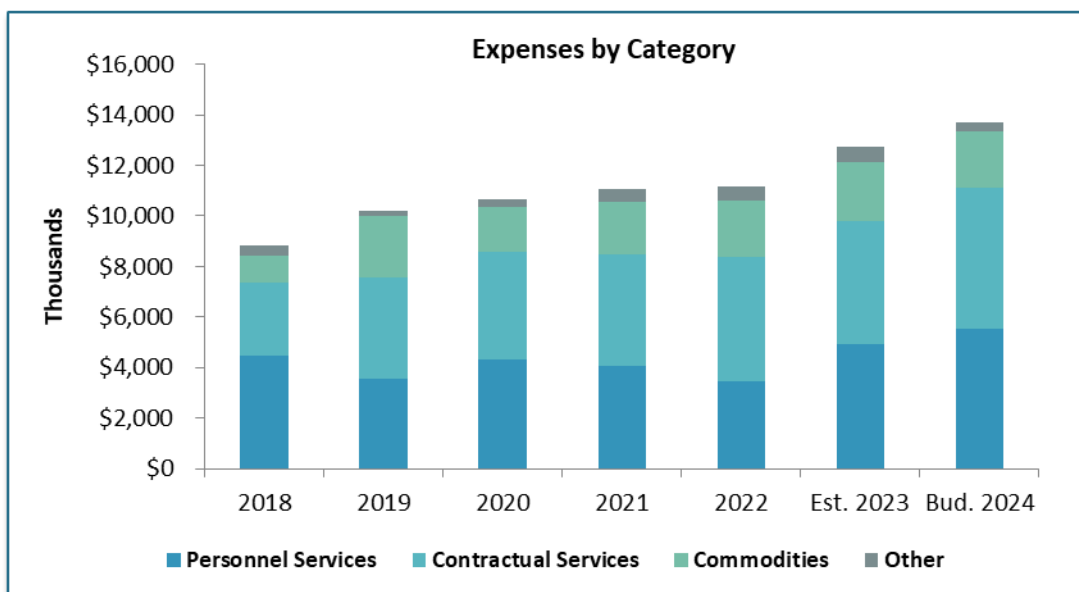
Expenditures

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.

The graph below shows the historical annual operating expenses. The total increase in operating expenses for FY2024 is 6.64%. Increases include salaries and supplies and materials related to building and pavement repair.



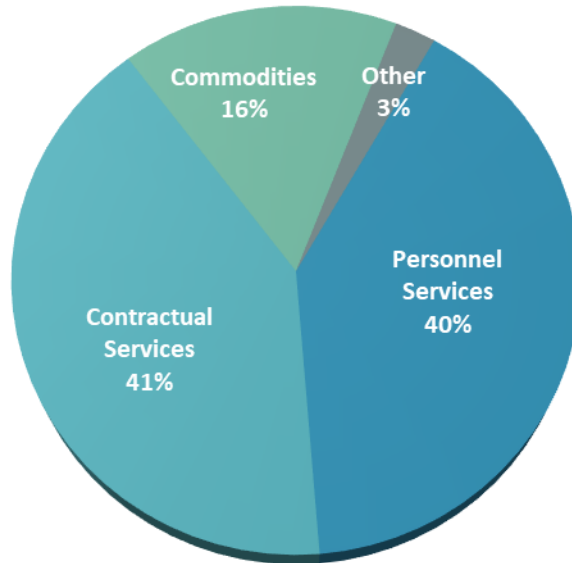
Operating expense allocation for the past five years is as follows:



Expenditures (continued)

Operating expenses are categorized into four areas: personnel service, contractual service, commodities, and other. Below is a chart showing the breakdown of FY2024 costs by category.

Expenses by Category



Personnel Services accounts for 40% of operating expenses and is traditionally one of the largest costs for the Authority. The Authority views the employees as its most important asset and works to hire the best, most highly qualified and motivated people.

Contractual services is 41% of 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 FY2024.

Debt Service

The primary objective of debt management is to keep the level of indebtedness within available resources and comply with legal debt limitations as established by the Airport Authorities Act. The Authority's outstanding debt is \$61.9 million in revenue bonds.

The authority issued a series of bonds totaling \$17 million in FY2016 for the purpose of funding the costs of acquiring, constructing, equipping, and improving two aircraft maintenance, repair, and overhaul hangars. 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.

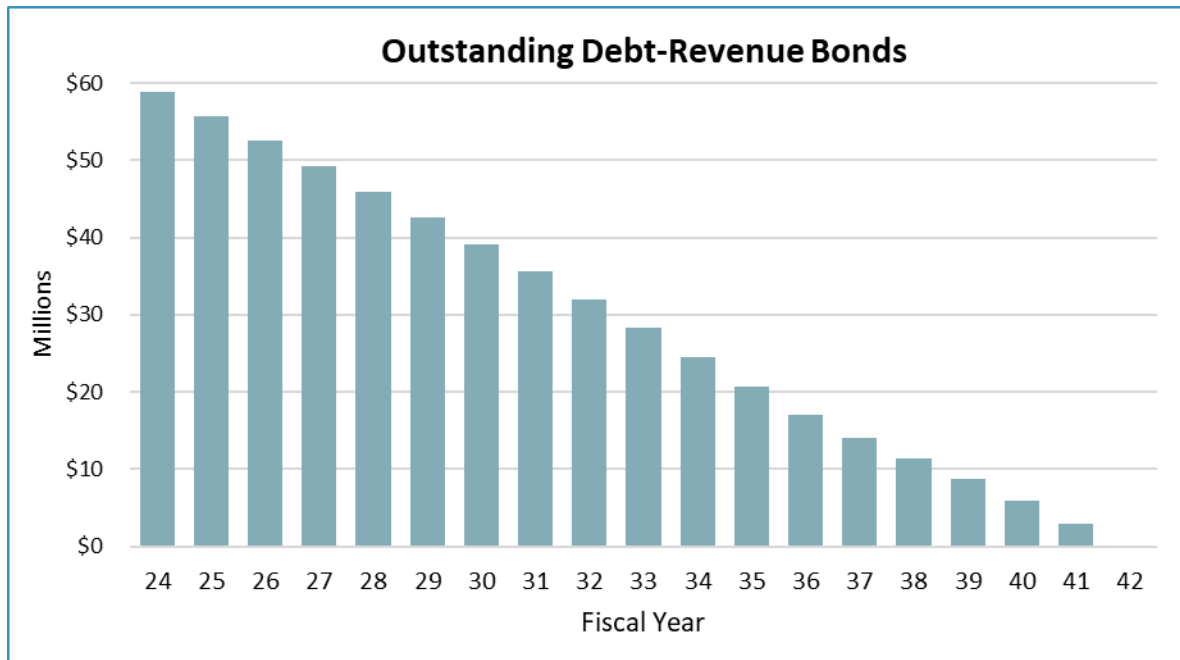
FY2024 bond debt repayment related to principal totals \$3,097,666. Interest payments will total \$1,471,352. Of this amount, \$881,859 will be received through intergovernmental contributions by the City and County based on the intergovernmental agreements related to the MRO bonds.

FY2024 Debt Schedule

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
GO alternative revenue bond - 2015A	393,635	153,570	547,205
GO alternative revenue bond - 2015B	240,159	94,495	334,654
GO alternative revenue bond - 2015C	192,065	75,599	267,664
GO alternative revenue bond - 2017	201,807	145,293	347,100
GO alternative revenue bond - 2021	2,070,000	1,002,395	3,072,395
Total	3,097,666	1,471,352	4,569,018
Less City and County Contributions	(633,794)	(248,065)	(881,859)
Total Authority Debt Payments	\$ 2,463,872	\$ 1,223,287	\$ 3,687,159

Debt Service (continued)

The Authority manages debt with the goal of only incurring debt where it economically has a benefit. 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, 2023 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, 2022	\$ 3,300,168,615	\$ 3,300,168,615	\$ 3,300,168,615
Debt limit percentages	0.75%	2.30%	2.875%
	24,751,265	75,903,878	94,879,848
Total debt applicable to debt limit	-	-	-
Total	-	-	-
FYE23 Legal debt margins	\$ 24,751,265	\$ 75,903,878	\$ 94,879,848

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, and rolling equipment replacement.

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's 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 \$2,194,613.

Current Capital Improvement Projects

Capital improvement projects (CIP) currently in progress at the Airport include development of the midfield road allowing direct access to the international cargo buildings in the midfield, phase one of the fuel farm located in the midfield, and the construction of Taxiway P which runs parallel to Runway 7/25.

It is projected that FY2024 will include approximately \$8.8 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 \$4.2 million of the \$12.5 million in projects.

Projected FY2024 CIP expenditures are as follows and a specific list of the projects is outlined in the Capital Improvement section of the booklet.

Airside Projects	\$ 7,900,000
Landside Projects	1,181,640
Terminal Projects	1,158,000
Operations Projects	1,096,000
Maintenance Projects	1,054,700
Administrative Projects	118,880
Total Capital Improvements	\$ 12,509,220

Net Assets

The 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

	FY2019	FY2020	FY2021	FY2022	FY2023	Budgeted FY2023
Net Position, Beginning of Year	\$108,006,965	\$124,063,178	\$123,966,507	\$152,526,749	\$174,629,382	\$180,376,780
Income(loss) before Capital Contributions	(8,692,561)	(4,129,195)	5,761,669	7,083,226	(3,729,852)	(6,009,562)
Capital Contributions	24,748,774	4,032,524	22,798,573	15,019,407	9,477,250	8,342,500
Net Position, End of Year	<u>\$124,063,178</u>	<u>\$123,966,507</u>	<u>\$152,526,749</u>	<u>\$174,629,382</u>	<u>\$180,376,780</u>	<u>\$182,709,718</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,
- Operating reserve fund, and
- Equipment reserve fund.

The landfill closure fund is estimated to be at \$754,950. The balance exceeds potential need based on the environmental engineer's review. There will be a reduction to the fund during the year of \$212,000.

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 \$822,586 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 \$8,254,615 and is sufficient to cover up to 7 months of expense.

The equipment reserve fund is established to cover large equipment and vehicle purchases such as snow removal equipment or firefighting vehicles and to cover extensive repairs or improvements that may be needed for current equipment. The fund currently has a balance of \$10,348,812.

Designated Assets (continued)

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

	Operating Account	Operating Reserve	Debt Service Account	Capital Proj. Account	Trust Account	Total
Balance, 1 May 2023	\$ 4,386,972	\$ 18,603,427	\$ 5,611,478	\$ -	\$ 1,577,536	\$ 30,179,413
Sources						
Operating revenue	17,178,710				48,000	17,226,710
Non-operating revenue	1,073,234	191,000			25,000	1,289,234
Tax levy-operating	3,298,569					3,298,569
Equipment trust funds						-
Debt issue						-
PFC			497,668			497,668
AIP fund reimbursement			-			-
Capital contributions				8,342,500		8,342,500
Intergovernmental contributions			231,022			231,022
Total Sources	21,550,512	191,000	728,691	8,342,500	73,000	30,885,703
Uses						
Operating expenses	13,688,714					13,688,714
Non-operating expenses			1,464,051			1,464,051
Debt service payments			3,097,665			3,097,665
Capital expenditures				12,509,220		12,509,220
Total Uses	13,688,714	-	4,561,716	12,509,220	-	30,759,650
Net Sources (Uses)	7,861,798	191,000	(3,833,026)	(4,166,720)	73,000	126,053
Balance before transfers	12,248,770	18,794,427	1,778,452	(4,166,720)	1,650,536	30,305,466
Transfers	(4,166,720)			4,166,720		-
Balance, 1 May 2024	\$ 8,082,050	\$ 18,794,427	\$ 1,778,452	\$ -	\$ 1,650,536	\$ 30,305,466

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 the 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
Deputy Director, Finance and Administration



Budget Summary

The budget presented has many highlights discussed in previous sections. Operating revenue is budgeted at \$17,226,710 for FY2024. This is an increase of 7.01% from the prior year budget mainly related to increases in airport fees and lease revenues. Operating expenses are budgeted at \$13,688,714 which is a 6.64% increase compared to the prior year's budget primarily due to an increase in contractual services as inflation continues to impact costs.

	Actual FY2022	Budget FY2023	Estimated FY2023	Budget FY2024	Budget % Change
Operating Revenue					
Airport fees-airside	\$ 8,196,527	\$ 7,428,364	\$ 8,401,074	\$ 8,118,065	
Airport fees-landside	1,402,743	1,302,581	1,139,257	1,463,610	
Lease revenue-on airport	4,403,983	5,426,959	5,395,649	5,651,657	
Lease revenue-off airport	721,912	811,006	765,563	842,064	
Airport service fees	694,219	412,850	462,725	458,225	
Other	698,394	716,813	781,945	693,088	
Total Operating Revenue	16,117,777	16,098,573	16,946,213	17,226,710	7.01%
Operating Expense					
Personnel services	(3,464,667)	(5,213,306)	(4,945,212)	(5,527,896)	
Contractual services	(4,906,655)	(5,152,038)	(4,873,943)	(5,602,526)	
Commodities	(2,252,482)	(2,030,936)	(2,303,709)	(2,227,891)	
Other	(560,070)	(440,200)	(610,000)	(330,400)	
Total Operating Expense	(11,183,874)	(12,836,479)	(12,732,864)	(13,688,714)	6.64%
Net Operating Expense	4,933,903	3,262,094	4,213,349	3,537,996	
Non-operating Revenue (Expense)					
Property tax levy-operating	3,067,317	3,151,661	3,142,396	3,298,569	
Replacement tax	1,501,828	600,000	1,791,520	700,000	
Interest income	46,513	12,777	192,961	579,234	
Passenger facility charges	556,030	435,781	491,000	497,668	
Gain/(Loss) on disposal of assets	210,864	10,000	-	10,000	
Current capital contributions	15,319,583	16,400,000	9,306,728	8,342,500	
Reimbursement Grant	9,610,696	-	-	-	
Intergovernmental contributions	2,146	248,064	248,064	231,022	
Interest expense	(1,609,676)	(1,466,799)	(1,500,940)	(1,464,051)	
Total Non-operating Revenue (Expense)	28,705,301	19,391,484	13,671,730	12,194,942	-37.11%
Debt Service, Sinking Fund Deposits & Other Uses					
Debt service principal payments	(24,074,165)	(3,063,652)	(3,063,624)	(3,097,665)	
Debt Service	49,995,000	-	-	-	
Total Debt Service and Sinking Fund Deposits	25,920,835	(3,063,652)	(3,063,624)	(3,097,665)	1.11%
Net before Capital	59,560,039	19,589,926	14,821,455	12,635,273	
Capital Improvement Program					
Airside projects	(37,937,005)	(16,138,700)	(10,315,877)	(7,900,000)	
Landside projects	(3,005,702)	(1,380,000)	(421,748)	-	
Terminal projects	(37,063)	(160,000)	(33,595)	(1,158,000)	
Administration projects	(102,746)	(10,000)	(36,689)	(118,880)	
Maintenance projects	(4,621,850)	(1,319,282)	(1,203,959)	(2,236,340)	
Operations projects	(124,815)	(515,000)	(279,713)	(1,096,000)	
Total Capital Improvements	(45,829,181)	(19,522,982)	(12,291,581)	(12,509,220)	-35.93%
Excess Funds	\$ 13,730,858	\$ 66,944	\$ 2,529,874	\$ 126,053	

Operating Revenue Summary

Revenue sources for FY2024 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, \$8,118,065. 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 international cargo which is newly charged revenue starting mid FY2023. Operations are budgeted with an anticipated decrease from the prior year.

Landing fees for cargo are projected based on 3.2 billion pounds, which is a 4.65% decrease over prior years actual. A decrease is anticipated as international passenger travel continues its return to pre-pandemic levels. Decreased cargo operations have resulted in a decrease of 7.3% for cargo landing fees over the 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, an aircraft parking fee was established effective January 1, 2022 to all commercial aircraft. The aircraft parking fee is budgeted with a decrease of 2.7% over the prior year's budget due to the anticipated decrease in cargo activity.

Airport fees – landside, \$1,463,610. The revenue in this category includes passenger parking and rental car commissions. As in the previous category, these revenues are also variable in nature. Revenues are expected to increase in FY2024 as passenger travel returns to pre-pandemic levels.

Lease revenue – on airport, \$5,651,657. 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 FY2024 will increase with the occupancy of the new 50,000 square foot International Cargo Buildings.

Lease revenue – off airport, \$842,064. 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 FY2023.

Airport service fees, \$458,225. Airport service fees include badging, training, escorting, snow removal, deicing chemical application and any other services provided. The amount budgeted is based on estimated activity levels for badging. The snow and deicing fees are based on our regional averages. The budget has increased for FY2024 due to increased badging fees for new airport tenants.

Other – \$693,088. 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 decrease in the budget is related to eliminating the revenue related to cargo consulting services offset by an increase in commercial operating fees related to the new international cargo buildings.

Operating Revenues Budget

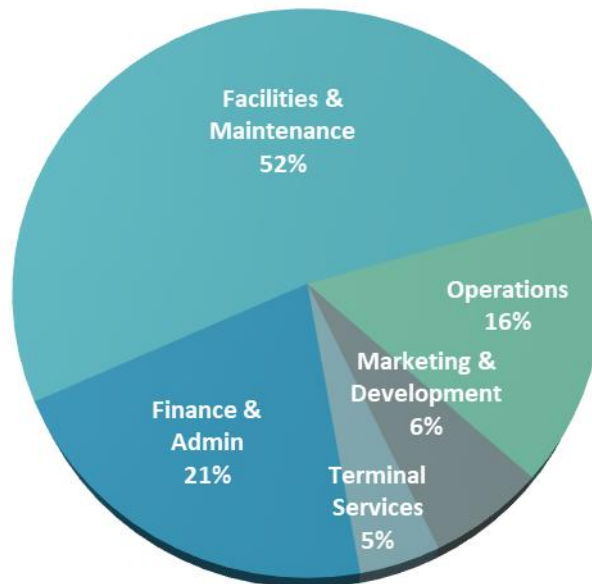
CODE/LINE ITEM	ACTUAL FY2021	ACTUAL FY2022	BUDGET FY2023	ESTIMATE FY2023	BUDGET FY2024
AIRPORT FEES-AIRSIDE					
4120 Fuel flowage fees	\$ 35,773	\$ 38,689	\$ 50,000	\$ 856,399	\$ 1,204,800
4140 Landing fees - cargo	5,628,829	7,513,220	6,635,167	6,653,923	6,149,975
4141 Landing fees - non cargo	220,799	268,436	221,130	270,450	234,464
4142 Landings - terminal fees	64,464	77,299	69,383	71,302	75,142
4143 Landings - MRO	13,887	5,556	20,000	29,000	33,000
4144 Aircraft parking fees	350,705	293,329	432,684	520,000	420,684
TOTAL FEES-AIRSIDE	6,314,457	8,196,527	7,428,364	8,401,074	8,118,065
AIRPORT FEES-LANDSIDE					
4250 Parking revenue	770,678	1,131,601	1,007,581	853,257	1,176,610
4270 Rental car commissions	161,526	271,142	295,000	286,000	287,000
TOTAL FEES-LANDSIDE	932,204	1,402,743	1,302,581	1,139,257	1,463,610
LEASE REVENUE-ON AIRPORT					
4330 Building	2,574,388	3,729,488	4,738,793	4,707,556	4,949,692
4360 Land	498,062	588,711	603,790	600,609	613,122
4380 Terminal	108,942	85,783	84,377	87,484	88,843
TOTAL LEASE-ON AIRPORT	3,181,392	4,403,983	5,426,959	5,395,649	5,651,657
LEASE REVENUE-OFF AIRPORT					
4430 Building	195,371	160,772	161,791	157,573	175,006
4460 Land	618,922	561,140	649,216	607,990	667,058
TOTAL LEASE-OFF AIRPORT	814,293	721,912	811,006	765,563	842,064
AIRPORT SERVICE FEES					
4950 Fuel permits	2,850	2,850	2,850	3,225	3,225
4971 International rubbish disposal fee	18,265	50,380	-	-	-
4972 Deicing chemical application fee	455,509	379,039	350,000	350,000	380,000
4975 Other airfield service fees	336,435	261,950	60,000	109,500	75,000
TOTAL AIRPORT SERVICE FEES	813,059	694,219	412,850	462,725	458,225
OTHER					
4910 Video Entertainment Revenue	10,423	9,845	10,000	12,623	12,000
4930 Commercial operating agreement	118,594	142,510	140,013	173,822	179,088
4940 Foreign trade zone fees	112,165	92,500	97,500	92,500	95,000
4960 Quarry fees	90,000	90,000	90,000	90,000	90,000
4980 Stormwater fees	206,000	246,000	246,000	258,000	246,000
4990 Miscellaneous	17,920	117,538	133,300	155,000	71,000
TOTAL OTHER	555,102	698,394	716,813	781,945	693,088
TOTAL OPERATING REVENUE	\$12,610,507	\$16,117,777	\$16,098,573	\$16,946,213	\$17,226,710

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.

**FY2024 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 FY2024	BUDGET FY2023	\$ Change	% Change
PERSONNEL SERVICES									
5400 Insurance	\$ 184,906	\$ 380,714	\$ 134,183	\$ -	\$ -	\$ 699,804	\$ 719,635	\$ (19,832)	(2.76%)
5401 Insurance-retirees	29,269	-	-	-	-	29,269	28,286	983	3.47%
5450 Overtime	-	176,927	61,363	-	-	238,290	250,527	(12,237)	(4.88%)
5451 Double time	-	63,907	25,537	-	-	89,445	102,151	(12,706)	(12.44%)
5500 Payroll taxes	90,992	163,546	57,976	-	-	312,514	288,250	24,264	8.42%
5560 Pension contribution	69,339	100,267	35,517	-	-	205,122	281,257	(76,135)	(27.07%)
5600 Salaries/wages	1,274,838	1,862,097	660,687	-	-	3,797,622	3,387,007	410,615	12.12%
5610 Pager pay	-	7,800	-	-	-	7,800	7,800	-	0.00%
5700 Tool allowance	-	1,800	-	-	-	1,800	1,800	-	0.00%
5750 Training	4,900	16,000	19,750	-	-	40,650	33,620	7,030	20.91%
5800 Workers compensation insurance	2,040	59,718	17,033	-	-	78,791	88,188	(9,397)	(10.66%)
5900 Uniforms	1,200	11,240	1,200	-	-	13,640	12,586	1,055	8.38%
5901 Uniforms-lost,damaged,replaced	-	1,000	-	-	-	1,000	500	500	100.00%
5903 Uniforms-protective clothing	-	9,450	2,700	-	-	12,150	11,700	450	3.85%
TOTAL PERSONNEL SERVICES	1,657,484	2,854,466	1,015,947	-	-	5,527,896	5,213,307	314,590	6.03%
CONTRACTUAL SERVICES									
6021 Ad-Television	-	-	-	95,000	-	95,000	75,000	20,000	26.67%
6025 Ad-Promotions	-	-	-	22,500	-	22,500	21,500	1,000	4.65%
6027 Ad-Internet/web	-	-	-	35,000	-	35,000	50,000	(15,000)	(30.00%)
6050 Audit	37,195	-	-	-	-	37,195	36,350	845	2.32%
6040 Airfield repair	-	60,500	-	-	-	60,500	51,500	9,000	17.48%
6100 Building repair	-	21,311	-	-	18,500	39,811	40,755	(944)	(2.32%)
6110 Building repair - MRO	-	115,000	-	-	-	115,000	115,000	-	0.00%
6121 Miles Ahead	-	-	-	3,000	-	3,000	3,000	-	0.00%
6140 Conferences & meetings	13,140	7,250	5,500	32,550	-	58,440	53,425	5,015	9.39%
6150 New airline service support	-	-	-	200,000	-	200,000	200,000	-	0.00%
6160 Consulting services	235,740	-	108,500	380,600	-	724,840	558,840	166,000	29.70%
6161 ARFF contractual services	-	-	794,167	-	-	794,167	720,000	74,167	10.30%
6163 LEO contractual services	-	-	30,000	-	-	30,000	25,000	5,000	20.00%
6300 Engineering services	155,000	-	-	-	-	155,000	95,000	60,000	63.16%
6321 Equip maint-repairs/services	-	32,300	2,700	-	34,450	69,450	66,750	2,700	4.04%
6322 Equip maint-service contracts	57,333	433,379	135,600	-	276,386	902,698	814,266	88,432	10.86%
6350 Equipment rental	2,351	181,855	36,948	-	12,990	234,144	237,897	(3,753)	(1.58%)
6360 Fingerprinting Services	31,400	-	-	-	-	31,400	21,400	10,000	46.73%
6400 Insurance	426,339	-	-	-	-	426,339	334,174	92,164	27.58%
6402 Insurance deductible	10,000	-	-	-	-	10,000	10,000	-	0.00%
6410 Landscaping	-	6,500	-	-	4,000	10,500	15,500	(5,000)	(32.26%)
6440 Legal notices	3,800	-	-	-	-	3,800	2,800	1,000	35.71%
6451 Legal services-general	100,000	-	-	-	-	100,000	125,000	(25,000)	(20.00%)
6452 Legal services-personnel	10,000	-	-	-	-	10,000	10,000	-	0.00%
6453 Legal services-other	2,000	-	-	-	-	2,000	3,000	(1,000)	(33.33%)
6480 Licenses,titles & inspections	-	6,460	-	-	6,498	12,958	15,080	(2,122)	(14.07%)
6510 Medical exams	200	700	150	-	200	1,250	1,300	(50)	(3.85%)
6540 Membership dues	3,823	45	2,722	5,875	-	12,465	10,958	1,507	13.75%
6600 Other	1,500	1,000	-	-	200	2,700	2,800	(100)	(3.57%)
6630 Parking - Management Fee	-	100,000	-	-	-	100,000	99,600	400	0.40%
6635 Parking - Operations and Maint	-	661,066	-	-	-	661,066	591,459	69,607	11.78%
6640 Payment services	14,846	-	-	-	-	14,846	10,360	4,486	43.30%
6670 Permits & testing	-	4,600	-	-	-	4,600	4,600	-	0.00%
6700 Postage	1,925	-	-	-	-	1,925	1,800	125	6.94%
6730 Printing	750	-	-	5,000	-	5,750	10,450	(4,700)	(44.98%)
6750 Telephone	19,824	20,748	6,764	1,328	41,086	89,750	85,710	4,040	4.71%
6751 Telephone-cellular	3,015	16,900	4,800	2,040	36	26,791	28,704	(1,913)	(6.66%)
6800 Travel & transportation	30,695	21,600	9,575	48,750	-	110,620	106,950	3,670	3.43%
6806 Customer care/customer service	-	-	-	-	500	500	500	-	0.00%
6850 Utilities-electric	10,000	80,000	-	-	70,000	160,000	298,000	(138,000)	(46.31%)
6851 Utilities-natural gas	10,000	36,000	-	-	53,000	99,000	70,000	29,000	41.43%
6852 Utilities-water	2,100	13,800	-	-	13,800	29,700	57,770	(28,070)	(48.59%)
6900 Vehicle maintenance	-	75,000	-	-	-	75,000	52,000	23,000	44.23%
6950 Waste removal	-	17,600	-	-	5,223	22,823	17,840	4,983	27.93%
TOTAL CONTRACTUAL SERVICES	1,182,976	1,913,613	1,137,426	831,643	536,868	5,602,526	5,152,038	450,488	8.74%

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 FY2024	BUDGET FY2023	\$ Change	% Change
COMMODITIES									
7100 Building repair	-	40,000	-	-	18,000	58,000	55,000	3,000	5.45%
7110 Building repair - MRO	-	400,000	-	-	-	400,000	200,000	200,000	100.00%
7140 Conferences & meetings	18,940	12,000	1,500	1,000	3,400	36,840	20,600	16,240	78.83%
7200 Equipment	500	25,750	8,800	2,500	7,000	44,550	44,550	-	0.00%
7240 Fence/gate	-	9,250	-	-	-	9,250	20,000	(10,750)	(53.75%)
7271 Fuel-diesel	-	150,000	-	-	-	150,000	100,000	50,000	50.00%
7272 Fuel-unleaded	-	45,000	-	-	-	45,000	32,400	12,600	38.89%
7273 Fuel-other	-	3,000	-	-	-	3,000	2,000	1,000	50.00%
7300 Landscaping	-	5,150	-	-	2,500	7,650	2,500	5,150	206.00%
7380 Other	1,000	500	-	-	500	2,000	2,000	-	0.00%
7400 Pavement marking	-	120,000	-	-	-	120,000	142,000	(22,000)	(15.49%)
7440 Pavement repair	-	72,500	-	-	-	72,500	73,000	(500)	(0.68%)
7500 Raw materials	-	5,000	-	-	-	5,000	15,000	(10,000)	(66.67%)
7501 Raw materials-deicing only	-	735,000	-	-	-	735,000	705,000	30,000	4.26%
7540 Signage	-	5,000	-	-	600	5,600	12,200	(6,600)	(54.10%)
7580 Software	2,754	1,000	-	-	-	3,754	3,500	254	7.26%
7600 Subscriptions	3,579	6,606	10,222	15,375	2,400	38,181	54,686	(16,504)	(30.18%)
7660 Supplies-janitorial	-	4,100	-	-	17,606	21,706	15,500	6,206	40.04%
7690 Supplies-lighting(airfield)	-	105,000	-	-	-	105,000	165,000	(60,000)	(36.36%)
7720 Supplies-mechanical (airfield)	-	115,000	-	-	-	115,000	115,000	-	0.00%
7750 Supplies-office	6,000	1,500	1,200	-	200	8,900	6,000	2,900	48.33%
7755 Supplies-Badging/Fingerprinting	10,000	-	-	-	-	10,000	20,000	(10,000)	(50.00%)
7780 Supplies-other	-	8,500	1,200	-	3,160	12,860	11,500	1,360	11.82%
7782 Supplies-hardware	-	12,000	-	-	-	12,000	12,000	-	0.00%
7796 Supplies-promotional	-	-	-	10,000	-	10,000	10,000	-	0.00%
7810 Supplies-specialty	-	-	19,500	-	-	19,500	16,000	3,500	21.88%
7830 Supplies-steel stock	-	2,000	-	-	-	2,000	2,000	-	0.00%
7850 Supplies-storm sewer/drain	-	2,100	-	-	-	2,100	3,000	(900)	(30.00%)
7880 Supplies-welding	-	5,000	-	-	-	5,000	3,500	1,500	42.86%
7901 Maint-licensed vehicles	-	22,500	-	-	-	22,500	17,000	5,500	32.35%
7902 Maint-equipment	-	145,000	-	-	-	145,000	150,000	(5,000)	(3.33%)
TOTAL COMMODITIES	42,773	2,058,456	42,422	28,875	55,366	2,227,891	2,030,936	196,956	9.70%
OTHER									
8400 Glycol retention treatment facility	-	82,900	-	-	-	82,900	89,400	(6,500)	(7.27%)
8410 Landfill environmental costs	-	87,500	-	-	-	87,500	150,800	(63,300)	(41.98%)
8415 Property Taxes	-	160,000	-	-	-	160,000	200,000	(40,000)	(20.00%)
TOTAL OTHER	-	330,400	-	-	-	330,400	440,200	(109,800)	(24.94%)
FISCAL YEAR TOTALS	\$ 2,883,233	\$ 7,156,935	\$ 2,195,794	\$ 860,518	\$ 592,234	\$ 13,688,714	\$ 12,836,480	\$ 852,233	6.64%

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, financially 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.

FY2024 Initiatives and Goals

- ➔ Maximize non-aeronautical revenues.

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

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

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

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: Improve performance appraisal process with individual goals and 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)

FY2023 Initiatives and Results

- ➔ Maximize non-aeronautical revenues.

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

Result: New Rates and Charges Ordinance effective 8/1/2023 included Implementation of a \$0.05 fuel flowage fee to fund the expanding fuel infrastructure.

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

Result: In progress

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

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

Result: Implemented Paylocity payroll software, a single software that allows us to process payroll, time off reporting, and benefit enrollment all in one place.

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

Result: Several employees took advantage of educational opportunities through training, conferences, and college coursework.

- ➔ Complete performance appraisals.

Goal: For all staff to receive performance reviews.

Result: All staff received performance reviews.

Goal: Improve performance appraisal process with developmental plans.

Result: In progress.

- ➔ Provide employee opportunities for wellness and healthy lifestyles.

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

Result: Offered quarterly educational sessions to staff through Better Life Wellness.

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

Result: Employee benefits fair held at kickoff of open enrollment with six vendors on site.

Finance and Administration Performance Measures

GOALS	TARGET	ACTUAL FY2021	ACTUAL FY2022	ESTIMATE FY2023	BUDGET FY2024
Increase non-aeronautical revenue	5% annually	11.4%	29.0%	7.3%	-0.2%
Non-aeronautical revenue at least 50% of total revenue	50.0%	39.3%	38.2%	36.8%	36.2%
Performance appraisals for all employees	100%	80%	100%	100%	100%

Finance and Administration Department Budget

CODE/LINE ITEM, Department 04	ACTUAL FY2021	ACTUAL FY2022	BUDGET FY2023	ESTIMATE FY2023	BUDGET FY2024	\$Chg/FY23 Budget	%Chg/FY23 Budget
PERSONNEL SERVICES							
5400 Insurance	\$ 93,582	\$ 97,600	\$ 132,233	\$ 121,959	\$ 184,906		
5401 Insurance-retirees	32,714	24,522	28,286	27,006	29,269		
5403 Insurance-OPEB	(97,442)	(149,936)	-	-	-		
5500 Payroll taxes	63,129	71,108	68,416	61,172	90,992		
5560 Pension contribution	77,546	73,494	77,389	57,155	69,339		
5562 Pension contribution-GASB 68	(179,902)	(774,979)	-	-	-		
5600 Salaries/wages	849,028	901,858	959,217	910,767	1,274,838		
5750 Training	1,325	3,579	4,120	1,256	4,900		
5800 Workers compensation insurance	961	539	863	864	2,040		
5900 Uniforms	2,323	-	1,100	900	1,200		
TOTAL PERSONNEL SERVICES	843,264	247,786	1,271,625	1,181,078	1,657,484	385,859	30.34%
CONTRACTUAL SERVICES							
6050 Audit	35,305	37,945	36,350	34,576	37,195		
6140 Conferences and meetings	2,960	9,747	12,810	13,032	13,140		
6160 Consulting services	236,852	236,307	231,740	247,693	235,740		
6300 Engineering services	52,132	281,656	95,000	263,182	155,000		
6322 Service contracts	43,546	38,921	51,447	76,706	57,333		
6350 Equipment rental	4,055	2,107	2,107	2,107	2,351		
6360 Fingerprinting Services	77,370	21,925	21,400	23,533	31,400		
6400 Insurance	241,313	288,046	334,174	310,099	426,339		
6402 Insurance deductible	-	-	10,000	-	10,000		
6440 Legal notices	4,631	3,283	2,800	6,565	3,800		
6451 Legal services-general	124,954	185,826	125,000	58,246	100,000		
6452 Legal services-personnel	4,139	4,536	10,000	16,964	10,000		
6453 Legal services-other	3,000	-	3,000	-	2,000		
6510 Medical exams	390	105	200	-	200		
6540 Membership dues	2,534	3,407	3,258	3,842	3,823		
6600 Other	2,677	145,219	1,300	14,000	1,500		
6640 Payment services	8,702	14,573	10,360	14,000	14,846		
6700 Postage	1,823	1,823	1,800	1,800	1,925		
6730 Printing	1,118	563	450	800	750		
6750 Telephone	16,861	20,350	21,574	20,500	19,824		
6751 Telephone-cellular	3,133	3,017	3,018	2,715	3,015		
6800 Travel and transportation	14,620	19,379	30,395	28,000	30,695		
6850 Energy-electric	18,401	15,749	18,000	10,000	10,000		
6851 Energy-natural gas	6,695	13,673	9,000	13,139	10,000		
6852 Utilities-water and sewer	1,391	1,614	1,570	2,045	2,100		
TOTAL CONTRACTUAL SERVICES	908,599	1,349,771	1,036,753	1,163,544	1,182,976	146,223	14.10%
COMMODITIES							
7140 Conferences and meetings	7,222	9,221	8,000	12,000	18,940		
7200 Equipment	2,360	6,924	1,700	1,500	500		
7380 Other	531	846	1,000	1,083	1,000		
7580 Software	2,500	2,500	2,500	2,500	2,754		
7600 Subscriptions	2,375	2,878	3,639	3,639	3,579		
7750 Supplies-office	4,814	2,692	3,000	2,200	6,000		
7755 Supplies-Badging/Fingerprinting	7,063	15,685	20,000	7,000	10,000		
7780 Supplies-other	-	60	-	-	-		
TOTAL COMMODITIES	26,865	40,806	39,839	29,922	42,773	2,934	7.36%
DEPARTMENT TOTAL	\$ 1,778,728	\$ 1,638,363	\$ 2,348,217	\$ 2,374,544	\$ 2,883,233	\$ 535,016	22.78%

Facilities and Maintenance Department Summary

The Facilities and Maintenance Department is responsible for maintaining 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 over 30 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.

FY2024 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 efficiency through training and planning.

Goal: Continue annual SRE in-depth training program for all OPS/Maintenance staff in-house and add additional training through Local 150 with on-site training using RFD site-specific equipment.

- 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.

- Improve pavement maintenance plan.

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

FY2023 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: One staff member attended the Signs Lighting and Markings (SLAM) conference in Atlanta, GA.

Result: One staff member attended the 2022 Illinois Airport Maintenance Associations (IAMA) annual conference. This conference covered a host of topics including cargo development, selling surplus equipment, wildlife control at airports, preventive maintenance programs, pavement markings and pavement maintenance.

Facilities and Maintenance Department Summary (continued)

- 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.

Result: Safety Committee has expanded participation and started implementing the SMS process.

- 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.

Result: GRAA staff have inspected all facilities and are in the process of incorporating all tangible assets into the plan and CityWorks.

- Implement pavement maintenance plan.

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

Result: GRAA staff, CMT and tenants have partnered together in identifying any and all items within the PCI to address the worst first and continually monitor all areas to maintain a high standard of traversable pavements.

Facilities and Maintenance Performance Measures

GOALS	TARGET	ACTUAL FY2021	ACTUAL FY2022	ESTIMATE FY2023	BUDGET FY2024
Annual reduction in energy usage	-3%	-13%	4%	2%	-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 FY2021	ACTUAL FY2022	BUDGET FY2023	ESTIMATE FY2023	BUDGET FY2024	\$Chg/FY23 Budget	%Chg/FY23 Budget
PERSONNEL SERVICES							
5400 Insurance	\$ 285,586	\$ 315,649	\$ 362,176	\$ 350,511	\$ 380,714		
5450 Overtime	180,288	115,392	180,474	150,474	176,927		
5451 Double time	58,974	32,509	73,183	43,183	63,907		
5500 Payroll taxes	103,732	108,991	142,994	135,041	163,546		
5560 Pension contribution	139,043	121,066	132,239	100,349	100,267		
5600 Salaries/wages	1,240,843	1,273,467	1,558,211	1,558,211	1,862,097		
5610 Pager pay	7,800	8,100	7,800	7,800	7,800		
5700 Tool allowance	1,800	1,575	1,800	1,800	1,800		
5750 Training	7,911	10,711	15,000	6,692	16,000		
5800 Workers compensation insurance	56,538	39,495	65,996	61,176	59,718		
5900 Uniforms	8,426	8,369	9,986	8,649	11,240		
5901 Uniforms-lost,damaged,replaced	982	994	500	1,966	1,000		
5903 Uniforms-protective clothing	5,576	5,026	9,450	9,450	9,450		
TOTAL PERSONNEL SERVICES	2,097,498	2,041,343	2,559,808	2,435,303	2,854,466	294,657	11.51%
CONTRACTUAL SERVICES							
6040 Airfield repair	65,152	16,077	51,500	51,500	60,500		
6100 Building repair	41,864	170,615	22,255	29,355	21,311		
6110 Building repair - MRO	103,817	117,571	115,000	38,678	115,000		
6140 Conferences and meetings	-	748	9,350	1,700	7,250		
6321 Equip maint-repairs/services	19,111	63,457	32,300	19,282	32,300		
6322 Service contracts	318,890	275,226	411,438	352,626	433,379		
6350 Equipment rental	226,323	190,775	221,855	143,455	181,855		
6410 Landscaping	5,535	10,691	6,500	40,000	6,500		
6480 Licenses, titles and inspections	4,235	2,872	6,460	14,512	6,460		
6510 Medical exams	630	1,426	700	3,462	700		
6540 Membership dues	-	856	45	45	45		
6600 Other	-	-	1,000	-	1,000		
6630 Parking - management fee	94,813	97,187	99,600	99,250	100,000		
6635 Parking - operations and maintenance	569,655	521,986	591,459	591,459	661,066		
6670 Permits and testing	2,775	7,979	4,600	4,600	4,600		
6750 Telephone	19,301	19,281	19,748	19,748	20,748		
6751 Telephone-cellular	14,924	16,349	18,000	16,984	16,900		
6800 Travel and transportation	1,753	1,260	21,600	3,945	21,600		
6850 Utilities-electric	133,619	136,317	145,000	71,898	80,000		
6851 Utilities-natural gas	57,992	43,160	35,000	70,000	36,000		
6852 Utilities-water	15,342	12,946	45,000	13,349	13,800		
6900 Vehicle maintenance	260,242	73,431	52,000	52,000	75,000		
6950 Waste removal	19,849	13,735	12,120	15,200	17,600		
TOTAL CONTRACTUAL SERVICES	1,975,822	1,793,945	1,922,530	1,653,048	1,913,613	(8,917)	-0.46%
COMMODITIES							
7100 Building repair	22,355	26,219	40,000	20,000	40,000		
7110 Building repair - MRO	207,346	494,063	200,000	600,000	400,000		
7140 Conferences and meetings	20,085	18,480	8,300	20,000	12,000		
7200 Equipment	20,048	26,008	18,400	36,245	25,750		
7240 Fence/gate	8,739	5,701	20,000	20,000	9,250		
7271 Fuel-diesel	109,790	111,772	100,000	123,802	150,000		
7272 Fuel-unleaded	28,701	39,085	32,400	55,335	45,000		
7273 Fuel-other	2,666	1,318	2,000	3,331	3,000		
7300 Landscaping	9,470	6,217	2,500	8,621	5,150		
7380 Other	-	-	500	200	500		

Facilities and Maintenance Department Budget

CODE/LINE ITEM, Department 05	ACTUAL FY2021	ACTUAL FY2022	BUDGET FY2023	ESTIMATE FY2023	BUDGET FY2024	\$Chg/FY23 Budget	%Chg/FY23 Budget
7400 Pavement marking	40,879	99,911	142,000	103,381	120,000		
7440 Pavement repair	198,342	83,848	73,000	73,000	72,500		
7500 Raw materials	-	2,417	15,000	1,000	5,000		
7501 Raw materials-deicing only	825,196	703,389	705,000	705,000	735,000		
7540 Signage	-	8,854	10,000	4,781	5,000		
7580 Software	-	-	1,000	-	1,000		
7600 Subscriptions	4,582	4,853	4,764	4,764	6,606		
7660 Supplies-janitorial	3,573	3,188	3,500	4,100	4,100		
7690 Supplies-lighting/electrical (airside)	153,056	120,877	165,000	103,389	105,000		
7720 Supplies-snow removal wafers, blade	79,112	67,431	115,000	90,000	115,000		
7750 Supplies-office	1,568	1,136	1,000	1,700	1,500		
7780 Supplies-other	8,681	10,620	8,000	6,792	8,500		
7782 Supplies-hardware	13,042	13,322	12,000	15,000	12,000		
7830 Supplies-steel stock	903	-	2,000	1,000	2,000		
7850 Supplies-storm sewer/drain	-	2,045	3,000	1,000	2,100		
7880 Supplies-welding	1,429	3,082	3,500	5,000	5,000		
7901 Maint-licensed vehicles	18,139	18,749	17,000	20,000	22,500		
7902 Maint-equipment	166,708	191,431	150,000	100,000	145,000		
TOTAL COMMODITIES	1,944,413	2,064,018	1,854,864	2,127,442	2,058,456	203,592	10.98%
OTHER							
8400 Glycol retention treatment facility	103,069	110,820	89,400	60,000	82,900		
8410 Landfill and environmental costs	203,356	245,048	150,800	350,000	87,500		
8415 Property taxes	208,365	204,202	200,000	200,000	160,000		
TOTAL OTHER	514,790	560,070	440,200	610,000	330,400	(109,800)	-24.94%
DEPARTMENT TOTAL	\$6,532,522	\$6,459,376	\$6,777,402	\$6,825,793	\$7,156,935	\$ 379,533	5.60%

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.

FY2024 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: Maintain a safety hazard reporting process that is accessible for all RFD employees.
- ➔ Ensure safe operational status at RFD.
Goal: Complete Phase 1 of the new Taxiway P Project.
- ➔ Implement Safety Management System (SMS) 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.

FY2023 Initiatives and Results

- ➔ Provide a work environment that supports professional development, employee advancement and retention.
Goal: Provide training opportunities for all operations employees throughout the year.
Result: One staff member attended the Signs Lighting and Markings (SLAM) conference in Atlanta, GA.
Result: Several staff members took advantage of virtual AAAE courses including Snow Academy and the Airport and Terminal Security training.

Operations Department Summary (continued)

- Improve workplace safety.

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

Result: Safety Committee has established a process for reporting safety hazards.

- Ensure safe operational status at RFD.

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

Result: Completed project.

- Implement Safety Management System (SMS) 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.

Result: The Safety Committee has begun the process of setting the standards and continues to work through this process.

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

Result: Staff attended the FAA SMS webinar and has begun developing the plan to incorporate SMS into our operation.

Operations Performance Measures

GOALS	TARGET	ACTUAL FY2021	ACTUAL FY2022	ESTIMATE FY2023	BUDGET FY2024
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	4	4	4	4	4

Operations Department Budget

CODE/LINE ITEM, Department 06	ACTUAL FY2021	ACTUAL FY2022	BUDGET FY2023	ESTIMATE FY2023	BUDGET FY2024	\$Chg/FY23 Budget	%Chg/FY23 Budget
PERSONNEL SERVICES							
5400 Insurance	\$ 132,883	\$ 150,088	\$ 176,563	\$ 155,647	\$ 134,183		
5450 Overtime	85,661	68,751	70,053	70,053	61,363		
5451 Double time	30,428	21,126	28,968	28,968	25,537		
5500 Payroll taxes	47,111	42,451	57,009	57,009	57,976		
5560 Pension contribution	53,796	47,872	52,746	35,047	35,517		
5600 Salaries/wages	453,277	488,567	609,475	609,475	660,687		
5750 Training	6,380	7,882	14,500	10,534	19,750		
5800 Workers compensation insurance	17,668	11,498	21,094	19,459	17,033		
5900 Uniforms	2,416	1,032	1,500	1,500	1,200		
5901 Uniforms-lost,damaged,replaced	158	-	-	-	-		
5903 Uniforms-protective clothing	2,047	2,209	2,250	2,250	2,700		
TOTAL PERSONNEL SERVICES	831,825	841,477	1,034,158	989,943	1,015,947	(18,211)	-1.76%
CONTRACTUAL SERVICES							
6140 Conferences and meetings	100	1,934	5,500	2,660	5,500		
6160 Consulting services		740		-	108,500		
6161 ARFF contractual services	693,398	719,764	720,000	734,803	794,167		
6163 LEO contractual services	10,187	22,858	25,000	55,520	30,000		
6321 Equip maint-repairs/services				-	2,700		
6322 Service contracts	46,730	55,222	78,125	75,653	135,600		
6350 Equipment rental	1,059	945	945	945	36,948		
6510 Medical exams	180	231	200	158	150		
6540 Membership dues	5,426	3,385	2,930	3,162	2,722		
6750 Telephone	6,763	6,766	6,974	6,204	6,764		
6751 Telephone-cellular	4,877	5,848	5,940	5,731	4,800		
6800 Travel and transportation	-	743	9,575	7,629	9,575		
6900 Vehicle maintenance		260		-			
TOTAL CONTRACTUAL SERVICES	768,720	818,696	855,189	892,465	1,137,426	282,236	33.00%
COMMODITIES							
7100 Building repair							
7140 Conferences and meetings	138	365	1,500	746	1,500		
7200 Equipment	14,393	17,399	9,950	11,501	8,800		
7600 Subscriptions	18,562	13,416	34,751	34,497	10,222		
7750 Supplies-office	370	1,384	1,500	893	1,200		
7780 Supplies-other	220	413	2,500	744	1,200		
7810 Supplies-specialty	7,558	374	16,000	10,012	19,500		
TOTAL COMMODITIES	41,241	33,351	66,201	58,392	42,422	(23,780)	-35.92%
DEPARTMENT TOTAL	\$1,641,786	\$1,693,525	\$1,955,548	\$1,940,800	\$2,195,794	\$ 240,246	12.29%

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 are 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.

FY2024 Initiatives and Goals

- ➔ Increase sustainability through development, infrastructure, and operations, to meet the needs of the aviation industry.

Goal: Develop a sustainable Airport Master Plan to account for the increased demands and future requirements of air cargo while supporting passenger growth as well.

- ➔ Increase land development and maximize property occupancy.

Goal: Initiate a cargo facility master plan to best utilize both existing facilities and new green space developments.

- ➔ Increase cargo volume with existing and potential cargo operators. Increase number of international cargo carriers and 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 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 services.

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 relationships.

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.

Marketing and Development Department Summary (continued)

FY2023 Initiatives and Results

- ➔ Increase land development and maximize airport property occupancy.

Goal: Enter into land leases with developers to expand the cargo community at RFD.

Result: RFP was issued and awarded. After further due diligence, it was determined that the airport would self-develop international cargo building 3. Building 3 was leased to Menzies Aviation, a new cargo tenant, increasing the cargo handling capacity 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.

Result: Global economic conditions changed considerably throughout FY23. These changes led to a global decline in air cargo which RFD was not immune. Even with the decline in the market, RFD saw an increase of about 1% year over year in landed weight.

- ➔ Increase international cargo activity.

Goal: Continue to grow cargo volumes at greater than 10%.

Result: Goal was not met due to declining global economic conditions and a reduction in air cargo volumes worldwide.

- ➔ 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.

Result: Continued discussions with multiple international passenger airlines. There have been positive improvements in the marketplace, but international passenger service has not yet returned. This will carry over to FY24.

- ➔ Maintain competitive rates and charges to retain current providers and attract new passenger and cargo services.

Goal: Continue to maintain low-cost services for airlines and continue to market ease and convenience of RFD.

Result: RFD introduced a fuel flowage fee to pay for existing and future fuel infrastructure needs. The rest of the rates and charges remained steady.

- ➔ Improve customer interaction opportunities to strengthen customer relationships.

Goal: Increase our social media presence and visibility with the target of 1,000,000 impressions.

Result: Our Facebook reach was 874,615 and page visits of 11,524 were down from 2022, but still remains at a good number for the year overall.

Marketing and Development Department Summary (continued)

- 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: Toys for Tots returned to the International Terminal after a one-year break – 75 families were hosted for the event. Other events included Light up the Parks Parade, 4th of July Parade, Festival of Lights, and Rockford Ice Hogs Come Fly with Me promotion/trip giveaway.

Marketing and Development Performance Measures

GOALS	TARGET	ACTUAL FY2021	ACTUAL FY2022	ESTIMATE FY2023	BUDGET FY2024
Increase cargo volume with existing and new cargo operations	Top 12 FAA Ranking	17	14	13	13
Establish international and domestic seasonal flights in support of the travel industry	Increase in destinations	6	6	6	6

Marketing and Development Department Budget

CODE/LINE ITEM, Department 07	ACTUAL FY2021	ACTUAL FY2022	BUDGET FY2023	ESTIMATE FY2023	BUDGET FY2024	\$Chg/FY23 Budget	%Chg/FY23 Budget
PERSONNEL SERVICES							
5400 Insurance	\$ 37,857	\$ 41,248	\$ 48,663	\$ 45,166	\$ -		
5500 Payroll taxes	16,152	18,660	19,831	17,634	-		
5560 Pension contribution	22,191	20,921	18,884	15,728	-		
5600 Salaries/wages	241,513	253,046	260,104	260,104	-		
5800 Workers compensation insurance	292	185	234	256	-		
TOTAL PERSONNEL SERVICES	318,005	334,061	347,716	338,888	-	(347,716)	0.00%
CONTRACTUAL SERVICES							
6020 Advertising	\$ -	\$ 3,000	\$ -	\$ -	\$ -		
6021 Advertising-air service	15,346	61,025	75,000	75,000	95,000		
6025 Promotions/sponsorships/events	2,625	5,754	21,500	20,000	22,500		
6027 Internet/web	5,950	2,459	50,000	3,000	35,000		
6121 Incentives-awareness	1,400	(150)	3,000	1,000	3,000		
6140 Conferences and meetings	139	6,236	25,765	20,000	32,550		
6150 New airline service support	-	-	200,000	100,000	200,000		
6160 Consulting services	173,039	290,143	327,100	355,506	380,600		
6540 Membership dues	4,298	425	4,725	4,725	5,875		
6730 Printing	2,308	3,511	10,000	3,028	5,000		
6750 Telephone	1,166	1,151	1,178	1,178	1,328		
6751 Telephone-cellular	1,904	2,048	1,705	1,750	2,040		
6800 Travel and transportation	2,585	8,239	45,380	45,380	48,750		
TOTAL CONTRACTUAL SERVICES	210,760	383,841	765,353	630,567	831,643	66,290	8.66%
COMMODITIES							
7140 Conferences and meetings	285	1,568	1,000	3,000	1,000		
7200 Equipment	-	1,053	5,000	13,254	2,500		
7580 Software		24		-	-		
7600 Subscriptions	1,535	17,581	9,250	12,803	15,375		
7750 Supplies-office		440	-	-	-		
7796 Supplies-promotional	12,434	16,932	10,000	9,784	10,000		
TOTAL COMMODITIES	14,255	37,598	25,250	38,841	28,875	3,625	14.36%
DEPARTMENT TOTAL	\$ 543,019	\$ 755,499	\$1,138,319	\$1,008,296	\$ 860,518	\$ (277,801)	-24.40%

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.

FY2024 Initiatives and Goals

- Improve customer interaction opportunities to strengthen customer relationship.

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

Goal: Provide airport tours.

- Continually improve customer convenience and hospitality to welcome passengers.

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

FY2023 Initiatives and Results

- 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.

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

Goal: Provide airport tours either in person or virtually.

Result: Provided 40 tours to over 350 individuals.

- Continually improve customer convenience and hospitality to welcome passengers.

Goal: Replace luggage carts provided to passengers at no cost.

Results: Purchased 30 new luggage carts for passenger use.

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

Result: Added Cell Phone Lot and improved traffic flow by reconfiguring and paving Lot A.

Terminal Services Performance Measures

GOALS	TARGET	ACTUAL FY2021	ACTUAL FY2022	ESTIMATE FY2023	BUDGET FY2024
Grow RFD Ambassador program to 15 volunteers	15	7	8	8	10
Improve customer interaction opportunities to strengthen customer relationships (social media and email)	increase	85.0%	14.2%	5.0%	5.0%
Improve customer interaction opportunities to strengthen customer relationships (paid parking website)	increase	n/a	n/a	n/a	5%

Terminal Services Department Budget

CODE/LINE ITEM, Department 08	ACTUAL FY2021	ACTUAL FY2022	BUDGET FY2023	ESTIMATE FY2023	BUDGET FY2024	\$Chg/FY23 Budget	%Chg/FY23 Budget
CONTRACTUAL SERVICES							
6100 Building repair	\$ 19,610	\$ 17,069	\$ 18,500	\$ 12,645	\$ 18,500		
6321 Equip maint-repairs/services	57,807	45,380	34,450	49,750	34,450		
6322 Service contracts	198,290	212,616	273,255	242,232	276,386		
6350 Equipment rental	9,990	6,660	12,990	11,065	12,990		
6410 Landscaping	7,657	10,592	9,000	10,000	4,000		
6480 Licenses, titles and inspections	6,769	3,718	8,620	7,282	6,498		
6510 Medical exams	-	-	200	-	200		
6600 Other	100	100	500	-	200		
6750 Telephone	32,842	34,976	36,236	40,980	41,086		
6751 Telephone-cellular	159	38	41	30	36		
6806 Customer care/customer service	-	146	500	520	500		
6850 Utilities-electric	121,115	127,739	135,000	76,000	70,000		
6851 Utilities-natural gas	25,939	32,995	26,000	64,829	53,000		
6852 Utilities-water and sewer	9,178	13,205	11,200	13,763	13,800		
6950 Waste removal	24,981	55,167	5,720	5,223	5,223		
TOTAL CONTRACTUAL SERVICES	514,437	560,402	572,212	534,319	536,868	(35,344)	-6.18%
COMMODITIES							
7100 Building repair	4,190	12,093	15,000	16,370	18,000		
7140 Conferences and meetings	1,011	1,805	1,800	3,000	3,400		
7200 Equipment	10,710	26,896	9,500	7,000	7,000		
7300 Landscaping	616	-	-	-	2,500		
7380 Other	490	392	500	500	500		
7540 Signage	2,807	357	2,200	100	600		
7580 Software		24	-	-	-		
7600 Subscriptions	2,374	3,613	2,282	2,338	2,400		
7660 Supplies-janitorial	12,067	21,784	12,000	15,105	17,606		
7750 Supplies-office	145	117	500	100	200		
7780 Supplies-other	1,514	9,629	1,000	4,600	3,160		
TOTAL COMMODITIES	35,925	76,710	44,782	49,113	55,366	10,584	23.64%
DEPARTMENT TOTAL	\$ 550,362	\$ 637,111	\$ 616,994	\$ 583,432	\$ 592,234	\$ (24,760)	-4.01%

Non-Operating Revenues and Expenses Budget

CODE/LINE ITEM	ACTUAL FY2021	ACTUAL FY2022	BUDGET FY2023	ESTIMATE FY2023	BUDGET FY2024
NON-OPERATING REVENUE					
9100 Interest income	\$ 11,565	\$ 37,748	\$ 6,511	\$ 179,144	\$ 570,000
9105 Interest income-other	4,783	8,765	6,266	13,817	9,234
9200 Taxes-property (operating levy)	2,981,932	3,067,317	3,151,661	3,142,396	3,298,569
9250 Taxes-corporate replacement	646,067	1,501,828	600,000	1,791,520	700,000
9260 Gain on sale of assets	356,542	215,359	10,000	-	10,000
9270 Passenger facility charges	366,703	556,030	435,781	491,000	497,668
9281 Current capital contributions-Federal	18,224,460	8,749,587	15,500,000	15,500,000	8,055,000
9282 Intergovernmental contributions	337,979	302,322	248,064	248,064	231,022
9283 Current capital contributions-State	950,736	303,847	900,000	900,000	287,500
9284 Other capital contributions	2,517,841	609,384	-	275,000	-
9286 Current Capital Contributions-CARES Act	1,105,536	5,656,765	-	-	-
9287 Reimbursement Grant-CARES Act	7,599,992	4,267,018	-	-	-
9288 Reimbursement Grant-CRRSA Act	1,830,982	399,555	-	-	-
9289 Reimbursement Grant-ARPA Act	-	4,944,122	-	-	-
TOTAL REVENUE	36,935,119	30,619,648	20,858,284	22,540,942	13,658,993
NON-OPERATING EXPENSES					
9500 Interest expense	633,763	1,609,676	1,466,799	1,500,940	1,464,051
9550 Intergovernmental contrib-City of Rkfd	-	300,176	-	-	-
9810 Loss on asset disposal	5,320	4,495	-	-	-
TOTAL EXPENSES	639,083	1,914,347	1,466,799	1,500,940	1,464,051
NET TOTAL	\$ 36,296,036	\$ 28,705,301	\$ 19,391,485	\$ 21,040,002	\$ 12,194,942

Capital Improvement Program Summary

The Capital Improvement Program (CIP) is a 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 FY2024 CIP capital expenditures and detail of individual items to follow:

#	Project Title	Project Description	Authority Share	Total Project Cost
Administration Projects				
1	AV Upgrade in Auditorium	Replace AV Equipment in Auditorium	\$ 50,000	\$ 50,000
2	Server	Replace Server located in the terminal	20,000	20,000
3	Computer Replacement	Replace 10 computers per annual computer replacement plan	18,880	18,880
4	Admin Building Renovations	Building renovations due to flood damage	30,000	30,000
Total Administration Projects			\$ 118,880	\$ 118,880
Airside Projects				
5	Pavement Modifications for South Cargo Apron Taxilane	Construct Group VI Aircraft Pavement Modifications for South Cargo Apron Taxilane	\$ 227,000	\$ 4,540,000
6	Midfield Fuel Farm	Permanent Fuel Farm in the Midfield	1,000,000	1,000,000
7	Perimeter Road Rebuild	Widen, Mill and overlay perimeter road from the T-hangers to South Cargo	650,000	650,000
8	Mill and Overlay Terminal Apron	Mill and Overlay Terminal Apron	60,500	1,210,000
9	Pavement Repair	Annual capital pavement project	-	500,000
Total Airside Projects			\$ 1,937,500	\$ 7,900,000
Landside Projects				
10	53 Airport Dr Rehab	53 Airport Rehab to office space	\$ 900,000	\$ 900,000
11	Demo Professional Building	Demo Professional Building	95,000	95,000
Total Landside Projects			\$ 995,000	\$ 995,000
Maintenance Projects				
12	Acquire Snow Removal Equipment	Acquire Snow Removal Equipment	\$ -	\$ 650,000
13	Energy Upgrades	Energy efficiency upgrades (hangars and Falcon Rd)	100,000	100,000
14	Sealcoating	Sealcoat Aircraft Systems/Emery, Grumman Dr, Lockheed Dr, MRO big lot	86,640	86,640

Capital Improvement Program Summary (continued)

15	Additional Vehicle	Additional vehicles for growing department	60,000	60,000
16	Replacement Vehicle	Replacement of vehicle	60,000	60,000
17	Forklift	Forklift for SRE. Additional so the current one does not have to travel as much.	41,000	41,000
18	Paint Machine	Two color paint machine to paint airfield ramps	37,100	37,100
19	Mower	Replace end of life 20' batwing mower	37,000	37,000
20	High Capacity Loader Forks	Replace current set with appropriately rated 53k Loader Forks	26,600	26,600
21	Mower	Replace end of life 2012 John Deere X724 Mower with rough cut mower	23,000	23,000
22	Safe Disinfecting Inc	Wall disinfection device	20,000	20,000
23	Wayfinding Signage	Redo wayfinding signage for airport (includes SRE signage)	100,000	100,000
Total Maintenance Projects			\$ 591,340	\$ 1,241,340
Operations Projects				
24	Acquire Air Rescue Fire Fighting Equipment	Replace Emergency 1-97 Oshkosh T3000 with snozzle	\$ -	\$ 900,000
25	Security System Infrastructure	Fingerprint computers and camera	35,000	35,000
26	CBP-IT	Update CBP IT includes cooling unit (Liebert)	100,000	100,000
27	Security Video Management System	Replace end of life VMS(includes servers) with Prowatch VMS to integrate with the Badging System	40,000	40,000
28	Firewall	Replace Firewall to enhance content filtering, speed, and security to match current growing infrastructure	21,000	21,000
Total Operations Projects			\$ 196,000	\$ 1,096,000
Terminal Projects				
29	Jet Bridges	Replacement of Jet Bridge 2 or 3. Other budgeted for following year.	\$ 170,000	\$ 1,000,000
30	Boilers	Boiler/Chiller Soak Tank addition	58,000	58,000
31	Terminal Landscaping	Outdoor seating and passenger amenities	100,000	100,000
Total Terminal Projects			\$ 328,000	\$ 1,158,000
Total			\$ 4,166,720	\$ 12,509,220

CIP Operating Budget Cost Impact

The following table summarizes the projected annual impact of the fiscal year 2023 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		
Mill and Overlay Terminal Apron	Staff time for repairs	5,077
Midfield Fuel Farm	Reduces road maintenance/increases inspections	(762)
Pavement Modifications for South Cargo Apron Taxilane	Additional staff time for maintenance	(3,173)
Total Airside Projects		\$ 1,142
Landside Projects		
Demo Professional Building	Staff time for maintenance	1,523
Total Landside Projects		\$ 1,523
Maintenance Projects		
Energy Upgrades	Reduces energy cost	20,000
Sealcoating	Staff time for repairs	5,077
Paint Machine	Staff time/more efficient	3,808
Mower	Staff time/more efficient reduction in rentals	3,173
Acquire Snow Removal Equipment	Staff time/more efficient	1,904
Forklift	Reduction in rental cost and staff time	1,523
Replacement Vehicle	Staff time for repairs and maintenance	762
Wayfinding Signage	Staff time for public assistance and repairs	762
Mower	Staff time for repairs and maintenance	762
High Capacity Loader Forks	Staff time/more efficient	381
Additional Vehicle	Staff efficiencies	381
Total Maintenance Projects		\$ 38,530
Operations Projects		
Acquire Air Rescue Fire Fighting Equipment	Staff time for repairs and maintenance	3,046
Security System Infrastructure	Staff time/more efficient	762
Security Video Management System	Staff time/more efficient	762
Firewall	Staff time/more efficient	762
Total Operations Projects		\$ 5,331
Terminal Projects		
Jet Bridges	Staff time for repairs and maintenance	13,200
Boilers	Staff time for repairs and maintenance	3,046
Terminal Landscaping	Staff time for maintenance	(508)
Total Terminal Projects		\$ 15,738
Total Operating Budget Cost Impact		\$ 62,264

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 FY24	ESTIMATED FY25	ESTIMATED FY26	ESTIMATED FY27	ESTIMATED FY28
GRAA CONTRIBUTIONS					
Admin Projects	\$ 118,880	\$ -	\$ -	\$ -	\$ -
Airside Projects	1,937,500	4,502,500	2,467,500	1,135,000	2,585,000
Landside Projects	-	1,100,000	-	-	-
Maintenance Projects	1,586,340	2,591,000	250,000	120,000	185,000
Operations Projects	196,000	260,000	55,000	55,000	55,000
Terminal Projects	328,000	1,275,000	-	-	-
GRAA TOTAL	4,166,720	9,728,500	2,772,500	1,310,000	2,825,000
FEDERAL AND STATE GRANTS					
Airside Projects	5,962,500	35,187,500	39,682,500	15,865,000	40,415,000
Landside Projects	-	9,900,000	-	-	-
Maintenance Projects	650,000	-	1,170,000	-	585,000
Operations Projects	900,000	-	-	-	-
Terminal Projects	830,000	1,800,000	-	-	-
FEDERAL TOTAL	8,342,500	46,887,500	40,852,500	15,865,000	41,000,000
ESTIMATED TOTAL	\$ 12,509,220	\$ 56,616,000	\$ 43,625,000	\$ 17,175,000	\$ 43,825,000

Exhibit 1-Tentative Budget and Appropriation Ordinance

Tentative Budget and Appropriation Ordinance GREATER ROCKFORD AIRPORT AUTHORITY RESOLUTION NO. 23-14

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

WHEREAS, in accordance with 50 ILCS 330/3, the Authority is required to adopt a Tentative Budget and Appropriation Ordinance for the fiscal year, beginning May 1, 2023 and ending April 30, 2024;

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, 2023 and ending April 30, 2024 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, 2023 and ending April 30, 2024 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 27, 2023 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. 23-14

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

Commissioner Schablaske moved, seconded by Commissioner Agnew that Resolution Number 23-14 be adopted.

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

ADOPTED this 23rd day of March 2023 by the Chairman and the Board of Commissioners of the Greater Rockford Airport Authority, Winnebago County, Illinois.

(Signed March 23, 2023)
Paul R. Cicero, Chairman

ATTEST:

(Signed March 23, 2023)
Thomas Myers, Vice Chairman

Exhibit 2-Rates and Charges

Chicago Rockford International Airport (RFD) Rates and Charges Effective August 15, 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 reimbursible 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 sec)* \$2.25

Landing Fee

Signatory

Greater than 120,000,000 pounds annual landed weight	\$1.934 /1000lbs
Less than 120,000,000 pounds annual landed weight	\$1.964 /1000lbs

Non-Signatory

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

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

Aircraft Turn Fee

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

	\$0 Group 1
	\$50 Group 2
	\$250 Group 3
Per operation	\$500 Group 4
	\$500 Group 5
	\$500 Group 6

Aircraft Parking Fee

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. See groups outlined on the following page.

	\$25 Group 1
	\$200 Group 2
	\$500 Group 3
Per day rates.	\$800 Group 4
	\$1,000 Group 5
	\$1,200 Group 6

Longterm 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	\$0.05 /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 fuel farms except any airline (FAR Part 121 or Part 135) owned and operated fuel farm that is operated for the airlines sole use.

Commercial operating permit - /per square foot	\$0.28
Commercial operating permit/Nontenant (base fee)	\$250.00
Commercial operating permit/Nontenant (additional per badge fee)	\$250.00

International rubbish fee

4x4 hopper (200 gallons)	\$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	\$500.00
Background check and CHRC letter for non-issued badges	\$75.00
Testing fee (additional endorsements or retesting)	\$25.00
No shows for badging appointments	\$25.00
Fee for background check resubmission, over 30 days	\$50.00
Upgrade to SIDA from AOA	\$60.00

AOA

Original issue badge	\$50.00
Badge renewal	\$25.00
1st lost badge with re-issue	\$150.00
2nd lost badge with re-issue	\$300.00
3rd lost badge with re-issue	\$600.00
After 3 lost badges, no badge may be reissued	
Fee for background check resubmission, over 30 days	\$25.00
Vehicle registration initial fee (inside the fence)	\$25.00
Vehicle registration renewal fee	\$5.00
Vehicle registration renewal late fee	\$25.00
Testing fee (additional endorsements or retesting)	\$25.00
No shows for badging appointments	\$25.00
Not returned or lost badges (all types)	\$250.00

Exhibit 2-Rates and Charges (continued)

Fingerprint fee (<i>non-badged</i>)	\$50.00
Fingerprint fee plus required follow up investigation if necessary	\$75.00 /hr
Fines (scale based on severity and frequency of violation)	
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>Pluse 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 (<i>minimum 1 hour</i>)	\$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.
	Midfield Cargo Building #3	50,000 sq. ft.

International Customs/Immigration Federal Inspection Service Facility

Service Area
 Population within Authority Area, 282,188
 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
2018	\$2,787,979,000	
2019	\$2,963,183,000	6.28%
2020	\$3,122,476,000	5.38%
2021	\$3,300,168,000	5.69%
2022	\$3,567,875,000	8.11%

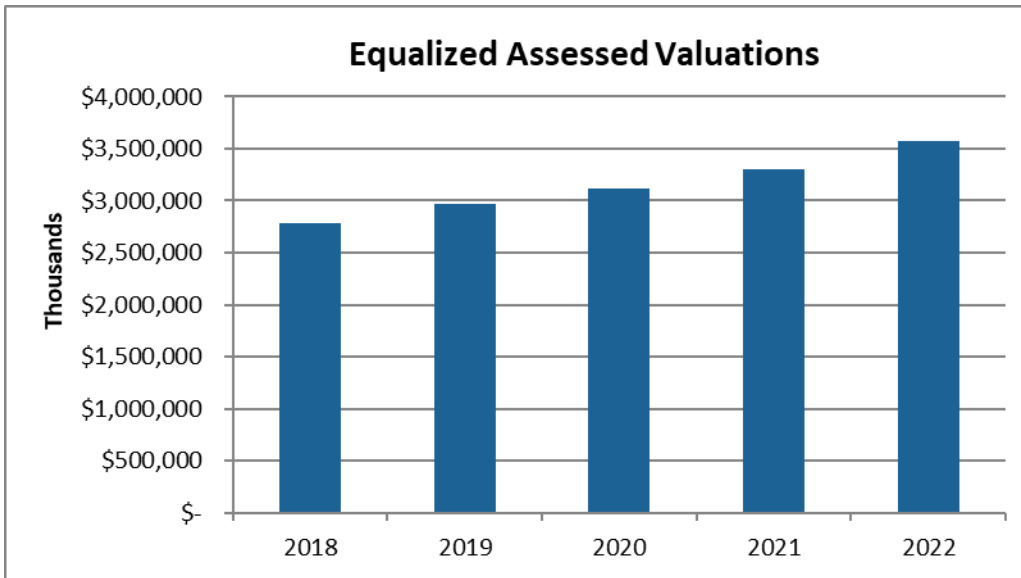


Exhibit 3-Statistics (continued)

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>CY2018</u>	<u>CY2019</u>	<u>CY2020</u>	<u>CY2021</u>	<u>CY2022</u>
Air Carrier	17,810	19,541	22,380	24,224	23,021
Air Taxi	1,289	1,223	723	1,212	1,237
GA Local	5,375	5,820	6,113	7,411	7,255
GA Itinerant	14,488	13,457	12,514	13,369	13,154
Military	1,496	1,357	1,031	1,045	535
Total	40,458	41,398	42,761	47,261	45,202

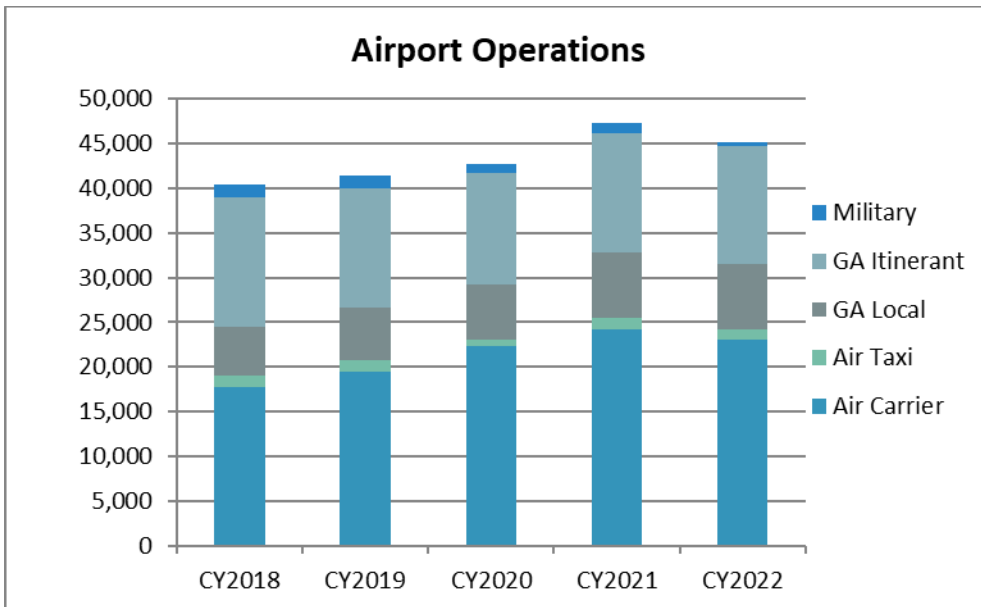
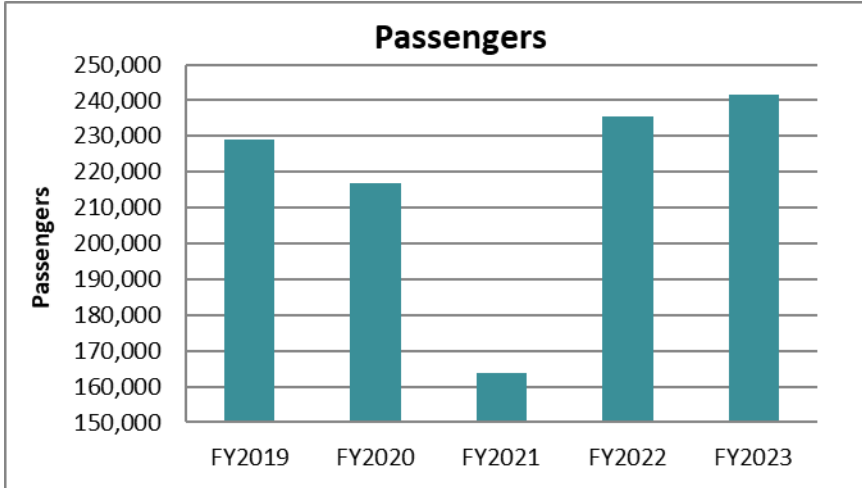


Exhibit 3-Statistics (continued)

Passengers

		% Change
FY2019	229,199	
FY2020	216,868	-5.38%
FY2021	163,910	-24.42%
FY2022	235,586	43.73%
FY2023	241,532	2.52%



Cargo Aircraft Landed Weight (lbs.)

		% Change
FY2019	2,146,277,900	
FY2020	2,574,036,170	19.93%
FY2021	2,872,406,610	11.59%
FY2022	3,541,978,087	23.31%
FY2023	3,334,999,808	-5.84%

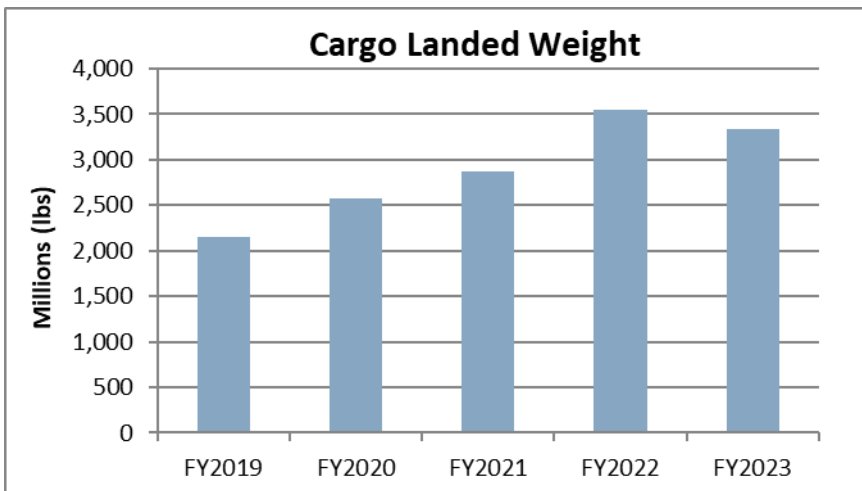
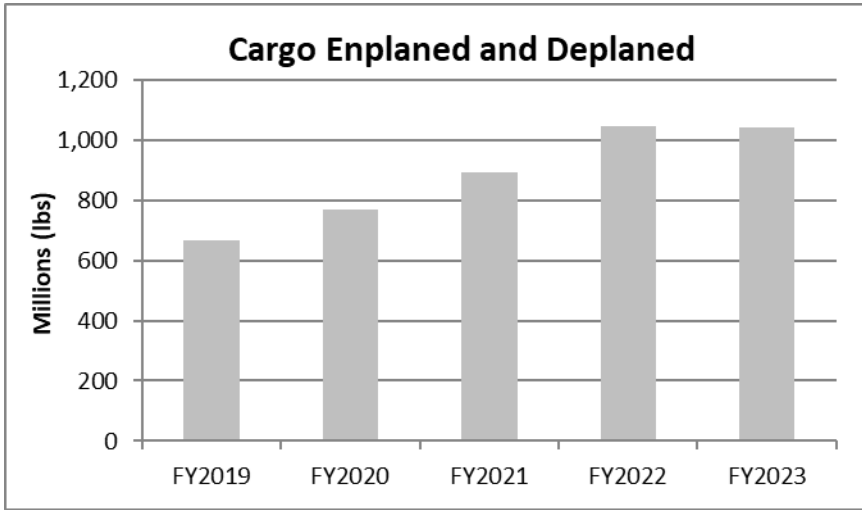


Exhibit 3-Statistics (continued)

Cargo Enplaned and Deplaned (lbs.)

		% Change
FY2019	665,416,248	
FY2020	769,586,062	15.65%
FY2021	890,733,886	15.74%
FY2022	1,046,314,202	17.47%
FY2023	1,043,770,537	-0.24%



Fuel Flowage (gallons)

		% Change
FY2019	25,495,761	
FY2020	27,297,232	7.07%
FY2021	36,253,814	32.81%
FY2022	54,507,916	50.35%
FY2023	49,067,536	-9.98%

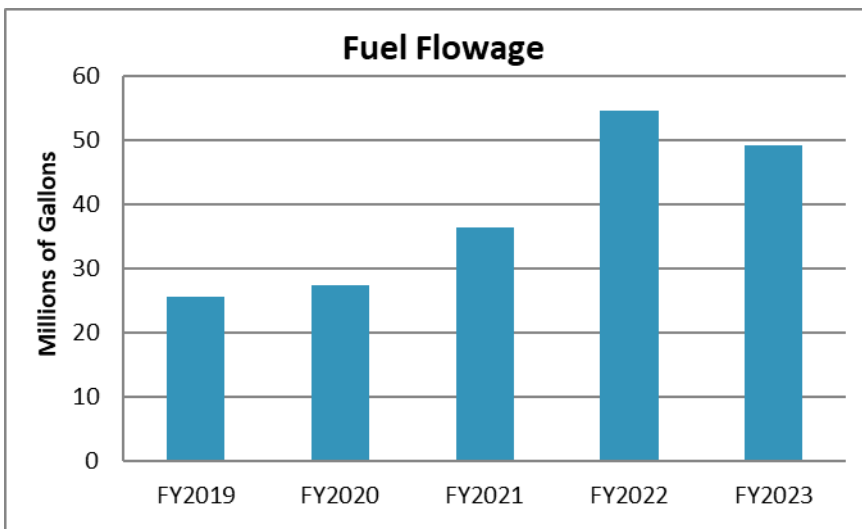


Exhibit 4-Budget and Appropriation Ordinance

ORDINANCE NO. 23-01

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, 2023 AND ENDING April 30, 2024,"

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 27, 2023 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 27th day of April 2023.

[SEAL]

(signed April 27, 2023)
Paul R. Cicero
Chairman, Board of Commissioners
Greater Rockford Airport Authority

Exhibit 4-Budget and Appropriation Ordinance (continued)

ORDINANCE NO. 23-01

GREATER ROCKFORD AIRPORT AUTHORITY BUDGET AND APPROPRIATION ORDINANCE

FOR THE FISCAL YEAR
BEGINNING May 1, 2023 AND ENDING April 30, 2024

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, 2024, 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 27, 2023

Notice of Public Hearing
Published on March 27, 2023

Public Hearing held
(at 5:00 p.m. Central Daylight
Savings time, pursuant to Notice) April 27, 2023

Section 2. Appropriations.

For the fiscal year ending April 30, 2024, there is hereby appropriated for the corporate purposes of the Greater Rockford Airport Authority the total sum of \$17,226,710 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, 2023 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 Myers.

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 27, 2023.

(signed April 27, 2023)
Paul R. Cicero
Chairman, Board of Commissioners
Greater Rockford Airport Authority

ATTEST:

(Signed April 27, 2023)
Pat Agnew
Treasurer, Board of Commissioners
Greater Rockford Airport Authority

Exhibit 4-Budget and Appropriation Ordinance (continued)

ORDINANCE NO. 23-01

2023-2024 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 27th day of April 2023.

[SEAL]

(Signed April 27, 2023)

Pat Agnew
Treasurer, Board of Commissioners
Greater Rockford Airport Authority

Exhibit 4-Budget and Appropriation Ordinance (continued)

ESTIMATED REVENUES BY SOURCE FISCAL YEAR 2024

EXPECTED CASH FLOW DURING THE YEAR:

SOURCES

Operating Budget Revenue	\$	17,226,710
Non-Operating Revenue		1,289,234
Tax Levy		3,298,569
Passenger Facility Charges		497,668
Other Financing Services		<u>8,573,522</u>
Total Sources	\$	30,885,703
Beginning Fund Balance, FY24		<u>30,055,399</u>
Total Sources and Fund Balance	\$	<u><u>60,941,102</u></u>

USES

Operating Expenditures	\$	13,688,714
Non-Operating Expenditures		1,464,051
Debt Service		3,097,665
Capital Expenditures		<u>12,509,220</u>
Total Uses	\$	30,759,650
Ending Fund Balance, FY24		<u>30,181,452</u>
Total Uses and Ending Fund Balance	\$	<u><u>60,941,102</u></u>

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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