

PIEDMONT TRIAD AIRPORT AUTHORITY
FISCAL YEAR 2019 PROPOSED BUDGET

**PIEDMONT TRIAD AIRPORT AUTHORITY
FISCAL YEARS 2019 PROPOSED & CAPITAL BUDGET
HIGHLIGHTS**

2019 PROPOSED BUDGET HIGHLIGHTS

Revenues

- Total revenues are expected to increase 7.4% over Fiscal Year (FY) 2018 Adopted Budget.
- FY 2019 enplanements are projected to increase by 5.0% compared to FY 2018 Adopted Budget.
- Terminal revenue is expected to increase by 13.6% from the FY 2018 Adopted Budget mainly due to Holdover rates budgeted in FY 2019 vs Proposed rates budgeted in FY 2018.
- Consumer Services revenues are expected to decrease 1.2%. Increase in food, beverage & gifts is offset by decrease in rental car commissions due to Transportation Network Company's (TNC) presence at airport.
- Parking revenues are projected to increase 4.9% a result of an increase in enplaned passengers.
- Apron revenue is expected to increase 9.9% with increased rates.
- Landing fees are expected to increase approximately 9.3% with additional landed weights and increased rates.
- Cargo Area Rental revenue is expected to increase 8.5% due to new tenants in Cargo #2, AMS & HAECO.
- Fixed Based Operations are expected to increase 50.5% due to scheduled building rent increases.
- Hangar revenues are expected to increase 5.7% due to Swift Air rent increase and new lease with Koury Aviation.
- Land & Facilities revenue is projected to remain flat.
- Other income is expected to decrease 11.1% due to decrease in commercial properties and residential rentals being eliminated.
- Valet Parking /Taxi Service Center revenue is expected to remain flat.
- Interest Income is expected to increase 84.2% with additional funds for investing and higher yield rates.
- Passenger Facility Charges revenue is estimated to increase 5.0% a result of increased passengers.
- Customer Facility Charges revenue is estimated to increase 13.0% due to the experience of a full year history.

Expenses

The FY 2019 expense budget is estimated to increase 7.5% over the FY 2018 Adopted Budget. This increase in part is due to: personnel costs related to seven additional positions for FY 2019 and annual raises; professional services due to increase in marketing and legal expenses; operating expenses in areas of office expenses, other supplies and repairs and maintenance-parts.

Operating Results

All operating revenue received by the Authority is derived from rentals and fees for the use of airport facilities and services. Any revenue earned that exceeds annual operating and debt service is re-invested in airport facilities. Total revenue for FY 2019 Proposed Budget is estimated to be \$35,572,361; \$27,976,745 is operating revenue with non-operating revenue of \$7,595,616; non-operating revenue consists of federal grants, interest on investments, passenger facility charges and customer facility charges. Operating expenses for FY 2019 Proposed Budget is estimated to be \$16,955,292 with debt service requirements of \$6,275,475 leaving \$12,341,594 available for future capital replacements.

	FY 2019 PROPOSED BUDGET	FY 2018 ADOPTED BUDGET	FY 2019 OVER(UNDER) 18 ADOPTED	% INCREASE (DECREASE)
REVENUES:				
OPERATING REVENUE	\$ 27,976,745	\$ 26,421,889	\$ 1,554,856	5.9%
PASSENGER FACILITY CHARGES	3,821,407	3,639,727	181,680	5.0%
CUSTOMER FACILITY CHARGES	2,605,052	2,306,205	298,847	13.0%
RESTRICTED INCOME - LEO/K-9	270,500	270,500	-	0.0%
INTEREST INCOME	898,657	487,890	410,767	84.2%
TOTAL REVENUES	\$ 35,572,361	\$ 33,126,211	\$ 2,446,150	7.4%
EXPENDITURES:				
OPERATING EXPENSES	\$ 16,955,292	\$ 15,767,687	\$ 1,187,605	7.5%
DEBT SERVICE REQUIREMENTS	6,275,475	6,275,475	-	0.0%
FUTURE CAPITAL REPLACEMENTS	12,341,594	11,083,049	1,258,545	11.4%
TOTAL EXPENDITURES	\$ 35,572,361	\$ 33,126,211	\$ 2,446,150	7.4%
ENPLANEMENTS	936,000	891,500	44,500	5.0%

2019 PROPOSED CAPITAL BUDGET HIGHLIGHTS

The Proposed FY 2019 Capital Program Budget of \$163,862,068 (including federal, state grants-in-aid and other local funds) includes the following projects and brings the total Capital Program Budget to \$290,733,297.

- Land Acquisition - \$6,000,000
- AIP Projects – 70,000,000
- Major Capital Projects – 85,811,068
- Furniture, Fixtures & Equipment – 2,051,000

Projects that are federal or state aid eligible will be initiated only as grant-in-aid funds are approved.

PIEDMONT TRIAD AIRPORT AUTHORITY
 PROPOSED BUDGET
 FISCAL YEAR 2019

	<u>FY 2019 PROPOSED BUDGET</u>	<u>FY 2018 ADOPTED BUDGET</u>	<u>FY 2019 OVER(UNDER) 18 ADOPTED</u>	<u>% INCREASE (DECREASE)</u>
REVENUES:				
OPERATING REVENUE	\$ 27,976,745	\$ 26,421,889	\$ 1,554,856	5.9%
PASSENGER FACILITY CHARGES	3,821,407	3,639,727	181,680	5.0%
CUSTOMER FACILITY CHARGES	2,605,052	2,306,205	298,847	13.0%
RESTRICTED INCOME - LEO/K-9	270,500	270,500	-	0.0%
INTEREST INCOME	<u>898,657</u>	<u>487,890</u>	<u>410,767</u>	<u>84.2%</u>
TOTAL REVENUES	<u>\$ 35,572,361</u>	<u>\$ 33,126,211</u>	<u>\$ 2,446,150</u>	<u>7.4%</u>
EXPENDITURES:				
OPERATING EXPENSES	\$ 16,955,292	\$ 15,767,687	\$ 1,187,605	7.5%
DEBT SERVICE REQUIREMENTS	6,275,475	6,275,475	-	0.0%
FUTURE CAPITAL REPLACEMENTS	<u>12,341,594</u>	<u>11,083,049</u>	<u>1,258,545</u>	<u>11.4%</u>
TOTAL EXPENDITURES	<u>\$ 35,572,361</u>	<u>\$ 33,126,211</u>	<u>\$ 2,446,150</u>	<u>7.4%</u>

PIEDMONT TRIAD AIRPORT AUTHORITY
125% RATE COVENANT
FISCAL YEAR 2019

	FY 2019 PROPOSED BUDGET	FY 2018 ADOPTED BUDGET
TOTAL OPERATING REVENUE	\$ 27,976,745	\$ 26,421,889
PASSENGER FACILITY CHARGES	3,821,407	3,639,727
TOTAL REVENUE	\$ 31,798,152	\$ 30,061,616
OPERATING EXPENSE	16,955,292	15,767,687
INCOME AVAILABLE FOR DEBT SERVICE	<u>\$ 14,842,860</u>	<u>\$ 14,293,929</u>
DEBT SERVICE REQUIREMENTS:		
INTEREST PAYMENT	1,641,270	1,737,475
PRINCIPAL PAYMENT	<u>4,634,000</u>	<u>4,538,000</u>
TOTAL	<u>\$ 6,275,270</u> 125%	<u>\$ 6,275,475</u> 125%
RATE COVENANT REQUIREMENT @ 125%	<u>\$ 7,844,088</u>	<u>\$ 7,844,344</u>
INCOME AVAILABLE FOR DEBT SERVICE REQUIREMENT	<u>\$ 14,842,860</u> <u>(7,844,088)</u>	<u>\$ 14,293,929</u> <u>(7,844,344)</u>
EXCESS OVER 125%	<u>\$ 6,998,772</u>	<u>\$ 6,449,585</u>
RATE COVERAGE % PROJECTED	<u>237%</u>	<u>228%</u>

PIEDMONT TRIAD AIRPORT AUTHORITY
CAPITAL PROJECTS SUMMARY
FISCAL YEAR 2019

DESCRIPTION	PREVIOUS BUDGETED AMOUNT	FY 2019 BUDGETED AMOUNT	TOTAL BUDGET	TOTAL EXPENDITURES THROUGH 6/30/18	BALANCE
LAND	\$ -	\$ 6,000,000	\$ 6,000,000	\$ -	\$ 6,000,000
AIP PROJECTS					
Less: FEDERAL AID	\$ 65,712,297	\$ 70,000,000	\$ 135,712,297	\$ 7,250,763	\$ 128,461,534
Less: STATE AID	(61,846,067)	(63,000,000)	(124,846,067)	(6,528,059)	(118,318,008)
AUTHORITY FUNDS	(500,000)	-	(500,000)	-	(500,000)
	\$ 3,366,230	\$ 7,000,000	\$ 10,366,230	\$ 722,704	\$ 9,643,526
MAJOR CAPITAL PROJECTS					
Less: STATE AID	\$ 61,158,932	\$ 85,811,068	\$ 146,970,000	\$ 10,309,891	\$ 136,660,109
Less: OTHER LOCAL FUNDS	(42,138,932)	(41,441,068)	(83,580,000)	(10,309,891)	(73,270,109)
AUTHORITY FUNDS	(3,000,000)	(32,600,000)	(35,600,000)	-	(35,600,000)
	\$ 16,020,000	\$ 11,770,000	\$ 27,790,000	\$ -	\$ 27,790,000
FURNITURE, FIXTURES and EQUIPMENT					
Less: FEDERAL AID	\$ -	\$ 2,051,000	\$ 2,051,000	\$ -	\$ 2,051,000
AUTHORITY FUNDS	-	(625,500)	(625,500)	-	(625,500)
	\$ -	\$ 1,425,500	\$ 1,425,500	\$ -	\$ 1,425,500
TOTAL	\$ 126,871,229	\$ 163,862,068	\$ 290,733,297	\$ 17,560,654	\$ 273,172,643
Less: FEDERAL AID	(61,846,067)	(63,625,500)	(125,471,567)	(6,528,059)	(118,943,508)
Less: STATE AID	(42,638,932)	(41,441,068)	(84,080,000)	(10,309,891)	(73,770,109)
Less: OTHER LOCAL FUNDS	(3,000,000)	(32,600,000)	(35,600,000)	-	(35,600,000)
AUTHORITY FUNDS	\$ 19,386,230	\$ 26,195,500	\$ 45,581,730	\$ 722,704	\$ 44,859,026