

Jackson Hole Airport Operating Budget 2021-2022



The following document presents the Jackson Hole Airport Board's operating budget for the Fiscal Year 2021-2022.

Finance Department
JACKSON HOLE AIRPORT
APRIL 15, 2021

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Background

The following pages present the Jackson Hole Airport Board's ("the Board") operating budget for fiscal year 2021/2022. The Town of Jackson and Teton County created the Board by joint resolution in 1967. The Board consists of five members jointly appointed by the Town and County. The Joint Powers Agreement sets forth the terms by which the Town, County and Airport operate together. Under this agreement, the Town and County annually review the Airport Budget. The Town and County also sign all FAA grant agreements as co-sponsors. The Board operates under the authority of the Joint Powers Agreement and under such has ownership of all facilities, equipment, lease holdings and operating rights.

The Board adopted a Certificate of Organization on January 2, 1968, pursuant to the Town of Jackson Ordinance and Board of Teton County Commissioners Resolution officially forming the Airport Board and electing officers. Annually the Certificate of Organization is renewed, and new officers are elected as appointed by the Town and County. For the year February 1, 2021 – January 31, 2022 the slate of officers is: John Eastman, President; Bob McLaurin, Vice President; Ed Liebzeit, Treasurer; Valerie Brown, Secretary; Jerry Blann, Member. The Board operates the Airport inside the boundaries of Grand Teton National Park ("the Park") under a Use Agreement with the U.S. Department of Interior. The Third Amendment to the Use Agreement extended the term to April 23, 2053 and the Fourth Amendment established the current Use Fee being paid by the Airport to the Park.

The Board's fiscal year is from July 1 – June 30 each year. Once the Board approves the budget it is submitted to the Town and County for review by May 1st of each year. Changes to the Board-approved rates and charges are made prior to July 1 by resolution. This includes changes to ground transportation fees, parking fees, rents and other standard fees.

The Board operates the Airport as a business enterprise to be financially self-sufficient. The Airport does not have the authority to tax and does not use local tax dollars, property tax or sales tax for operations. The Airport is funded primarily by fees paid by airport users, including airlines and businesses that operate at the airport. As determined in the WYDOT 2020 Aviation Economic Impact Study, the Airport generates more than \$1.3 billion in annual economic benefit for the state of Wyoming. Locally, the economic impact for the airport is \$1.2 billion and 14,910 jobs.

(<http://www.dot.state.wy.us/home/aeronautics/2020-aviation-economic-impact-study.html>)

Impacts of COVID-19

Air Service

At the start of the COVID-19 pandemic, passenger traffic quickly declined through the second half of March 2020 to a low in April 2020 at 93.9% below pre-COVID levels. The initial downturn occurred in April-June which coincides with the airport's "off-season" or non-peak travel. Having the majority of reduced travel during the Airport's non-peak travel season as well as a stronger recovery than has been experienced by other

airports in the U.S has resulted in better than forecasted enplanement numbers through this fiscal year 2020/2021. The Airport estimates fiscal year 2021/2022 enplanements will be down -23% from 2019/2020 levels and will be -10% below 2020/2021 levels.

Part of this recovery to more normal levels has been due to the addition of a new airline, Alaska Airlines in December 2020. Alaska currently has direct flights to three new destinations for the Airport, to San Diego, San Jose, and Seattle. They have indicated they will continue flying through this next fiscal year. In addition to Alaska, Frontier, Sun Country, and Allegiant have all committed to new air service this next fiscal year. There were 15 direct flight destinations to/from the Airport in 2020/2021 served by four air carriers. This fiscal year the number is anticipated to increase to 17 direct flight destinations and seven air carriers.

Finance

Due to the weakened demand for air travel and the uncertainty of each revenue stream as a result of the pandemic this past year, Airport staff worked diligently to determine what expenses were necessary and which could be deferred. While virtually all income channels felt impacts, the Airport has been able to provide relief to airport concessionaires who were impacted by the COVID pandemic. Congress awarded \$19.8 million in relief funding to help pay for debt service, and operating expenses through the Coronavirus Aid, Relief, and Economic Security Act (CARES) and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). The Airport finance department, project managers and engineers frequently review the cashflow and capital plan to ensure the financial plan established with the 2020/2021 budget remains on track and is aligned with the budgetary goals.

Operations

There were a number of operational changes made at the Airport due to the COVID pandemic. The Airport immediately began several measures to protect travelers and employees from COVID. These measures included:

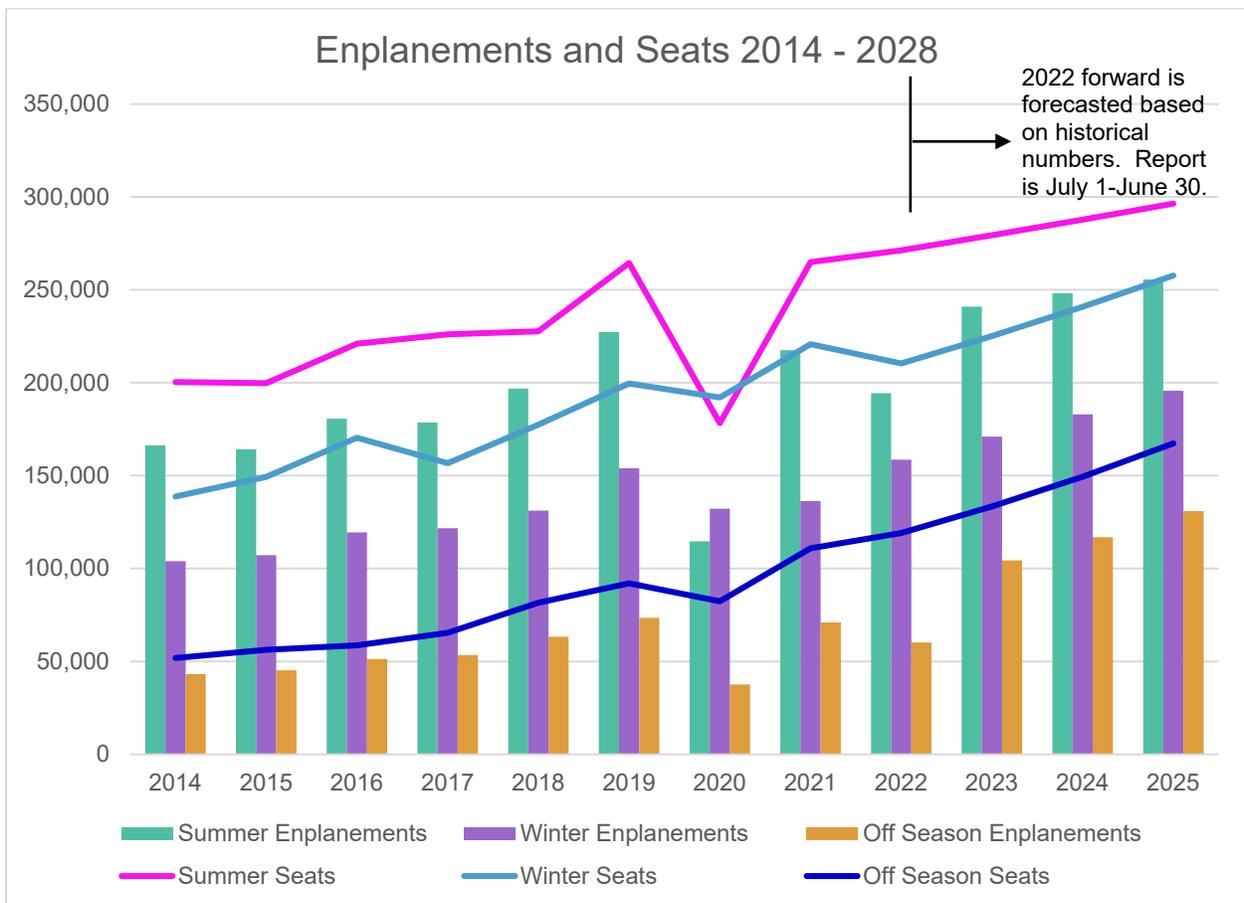
- upgrading the terminal HVAC filtration system,
- installing hand sanitization stations throughout the terminal,
- providing free face coverings throughout the terminal,
- initiating enhanced cleaning and disinfecting throughout the airport,
- installing barriers throughout the terminal,
- installing decals for physical distancing,
- initiating a public awareness campaign with announcements in the terminal and visual signage including QR codes with more information for guests,
- hiring additional staff to provide information to travelers and inform them about the federal and local mask mandates.

In addition to the operational changes, the Airport immediately made staffing adjustments as well. All staff were separated into two teams to ensure there would be adequate personnel available in the event of a quarantine. Additionally, the Airport

instituted an Emergency Leave policy. This was critical to ensure that the Airport maintained fully trained staff at the necessary numbers to perform the required duties.

Airport Activity

Evaluating the Airport’s activity numbers is important to planning long-term needs for infrastructure, staffing, and operations. It has been challenging this past year to determine accurate forecasts for airport activity. The forecasts across the aviation industry have become increasingly unreliable due to COVID’s impact on travel. The Airport has worked with JH Air Improvement Resources and the individual air carriers to determine activity levels for this next year and beyond. What has become apparent over the past few months is that travelers feel mountain resort destinations are a good location to visit. The demand driving the addition of new air service to the Airport appears to support this observation. Additionally, vaccine distribution, mask mandates, and emerging travel restrictions will likely play a part in travelers’ decisions to fly. The numbers in the forecast below represent a conservative perspective used for the financial outlook presented in this budget.



Budget Goals

The goals for this budget cycle are as follows:

- Operate a safe, secure, and environmentally responsible airport.
- Fiscal responsibility - execute a financial plan that provides the financial resources necessary to achieve the capital, operating, and cash flow objectives while maintaining the Airport's strong financial position.
- Provide services that exceed customer expectations.
- Cultivate mutually beneficial community partnerships.
- Deliver and maintain world class facilities.
- Attract, develop, and retain high performing employees – Employer of Choice.

Jackson Hole Airport Board Budget Summary

This year we continue to present the budget with three enterprise centers and six cost centers. The enterprise centers include the Fuel Farm, Security Operations and Airport Operations. The six specific cost centers remain unchanged from prior years and include: airfield, landside, terminal, other buildings and grounds, environmental, and community outreach. Revenues, expenses and cost centers for the various enterprise centers and their associated cost centers are outlined in the following pages. During this next fiscal year, the Airport will be closed for 78 days for a runway reconstruction project. The Board and staff are working hard to ensure the impact to the community and travelers is minimized during this time. Some of this work includes expanded community outreach and messaging, enhanced contractor incentives for early/on-time opening and coordination with community partners/stakeholders to reduce or eliminate potential disruptions caused by the closure. There will be a significant reduction in revenue during the closure since almost all of the Airport's revenue is generated by travelers. The Airport anticipates a continuation of most expenses including cleaning, repair and maintenance, personnel, and utilities. These items are more fully described in the sections below.

When preparing the comparisons for the budgeted profit and cost centers the Board felt it was important to use accurate historic values. The pandemic skewed financial numbers this past fiscal year, therefore the comparisons for this budget are against fiscal year 2019/2020 actual values. Another key factor in using fiscal year 2019/2020 is the fact that the runway closure period will roughly coincide with the start of the COVID pandemic economic downturn. This allows for a comparison of July – March activity impact on the Airport operation for these two fiscal years.

Presented on the following page is a chart summarizing the Airport Board's total budget for fiscal year 2021/2022.

Revenues		2021-2022
	Airport Operations	14,165,014
	Security Operations	6,474,200
	Fuel Farm Operations	14,054,092
	FBO Operations	-
	CARES/CRSSA Funds	8,668,018
Total Revenue		43,361,324
Expenses		
	Airport Operations	(14,145,056)
	Security Operations	(6,802,579)
	Fuel Farm Operations	(14,554,956)
Total Expense		(35,502,591)
	Net Income	7,858,733
Capital and Debt Sources		
	Federal Grants	37,864,063
	State Grants	1,634,087
	Fuel Fees	1,449,490
	Passenger Facility Charge	1,677,202
	Customer Facility Charges	1,713,406
	Loan Funding	4,852,742
Total Capital and Debt Sources		49,190,990
Capital Expenditures		
	FBO Campus	(1,793,325)
	Terminal	(17,695,910)
	Airfield	(38,299,844)
	Landside	(617,000)
	Equipment	-
	Minor Capital Projects	(645,000)
Total Capital Expenditures		(59,051,079)
Debt Service		
	Terminal	(503,012)
	Rental Car QTA	(1,435,001)
	Fuel Farm	(1,038,021)
	FBO - Hangars	-
	Restaurant	-
Total Debt Service		(2,976,034)
	Subtotal Capital and Debt	(12,836,123)
To/(From) Net Reserves FY 21/22		(4,977,390)
Unrestricted Cash Balance Forecast FYE June 30, 2021		17,750,267
Unrestricted Cash Balance Forecast FYE June 30, 2022		12,772,877
Enplanements Forecast FYE June 30, 2022		377,630
Current/Future Bonds	Annual payment	Debt Balance 6/30/2022
FIB Terminal Refi (Call date 10/12/2021)	252,195	-
FIB QTA Call date (10/12/2028)	1,435,001	7,490,000
BOW - Terminal Bag Claim (Call date 5/5/2025)	250,817	893,541
BOW - Fuel Farm (Call Date 8/5/2028)	1,038,021	5,644,741
Restaurant Bond (10 yrs at 5% interest)	-	2,350,000
FBO Bond H3/GSE (20 yrs at 6% interest)	-	1,402,325
FBO Bond Terminal Complex (20 yrs at 7% interest)	-	-
Current/Future Bonds Pmts/Balances	2,976,034	17,780,607

Overall Debt Service Coverage Ratio

4.27

Airport Operations

The Airport operating budget is a stand-alone enterprise center separate from security operations and fuel farm operations. All revenues generated from the operation of this enterprise center, including rents, landing fees, and other operating fees, will be used to offset the expenses related to airport operations. This budget year the airport will use the balance of the Coronavirus Aid, Relief, and Economic Security (CARES) grant as well as the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) grant to supplement operating expenses and debt service. The year-end balance expected from airport operations is anticipated to be -\$14,680,229 including airport funded capital expenses. This is before the \$8,668,018 in CARES/CRRSAA grant funding from Congress which was approved in fiscal year 2020/2021. The grant money can be used for any FAA approved airport operating expense or airport debt service. The funding will be used to support operating expenses and debt service payments in fiscal year 2021/2022. Therefore, including this funding, the Board anticipates using \$4,977,390 from net reserves to support Airport operations (including capital) in fiscal year 2021/2022. The specific details for the airport operations enterprise center are outlined on pages 8-20. The Airport's capital plan can be found on pages 25-26.

Security Operations

Security has been broken out as an individual enterprise center with a separate budget from the Airport operating budget. All income and expenses related specifically to security operations are in this budget. The revenue in this enterprise center covers the security screening of both passengers, and concessions entering the secure area of the airport. It also covers costs associated with overall airport security including the Town of Jackson law enforcement officer presence and night security at the airport. The additional airport security is achieved through two contracts: one for night security services with Jackson Hole Security and the other with the Town of Jackson for federally mandated law enforcement officer presence during airport screening operations. During the closure period, the Airport does not anticipate reimbursement from TSA for the security screening program. However, it will be necessary to retain all employees during this period to ensure fully trained staffing numbers for the reopening. In addition to retaining Airport security staff, the Board anticipates retaining the night security and Town of Jackson law enforcement personnel during the runway closure. Due to the large number of personnel working on the airport, it will be necessary to maintain a high level of security presence to ensure compliance with airport security requirements and ensure full operational capabilities by the opening date. The balance from operating the Security Operations enterprise center is -\$328,379. The Security Operations enterprise center details can be found on page 21.

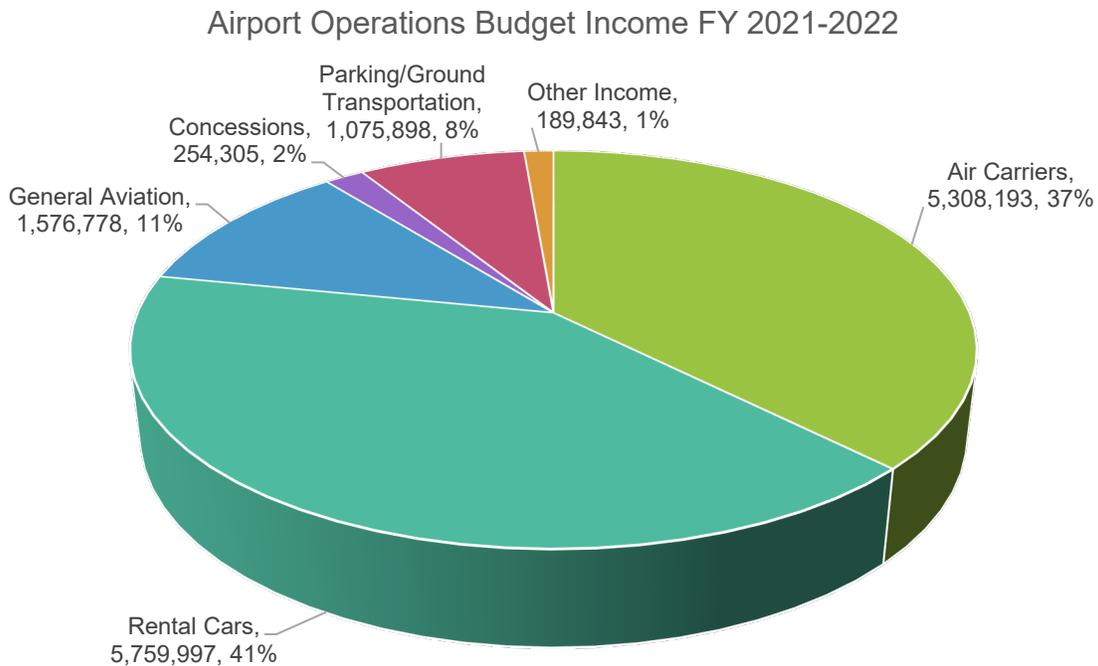
Fuel Farm

The fuel farm operation has been set up with an individual operating budget including income, expense, and debt service payment. Fuel sales have been adjusted based on predicted activity levels for the upcoming budget year. Income includes fuel and glycol revenues, the administration fee on fuel and glycol, and the fees on fuel delivered. Fuel farm expenses include fuel and glycol purchases, glycol recovery and trucking

expenses, labor, overhead and maintenance expenses at the fuel farm, and glycol recapture pad and debt service. During the runway closure there will be continued expense including staffing and debt service. However, there will not be any income earned. Year-end income anticipated to be received from the fuel farm operations are -\$89,394 after debt service. The fuel farm enterprise center information is detailed on page 22.

Airport Operations Revenue Summary

As highlighted above, the Board operates the Airport as a business enterprise to be financially self-sufficient. The Airport does not have the authority to tax and does not use local tax dollars, property tax or sales tax for operations. Aeronautical revenues are collected from both the fixed base operator and the airlines as well as other aeronautical users of the airport. Non-aeronautical revenues are collected from a variety of sources including terminal concessions, rental cars and parking. These revenue streams are used to fund cost center expenses. As previously discussed, the Airport anticipates a reduction in operating revenues due to the 78-day runway closure from the reconstruction project. There are six profit centers for the airport including air carriers, rental cars, general aviation, concessions, parking/ground transportation, and others. A more detailed review of the anticipated revenues and sources for each of these profit centers is below.



Air Carriers

Air Carrier income is derived from two sources: landing fees and terminal rents. These revenues are used to offset expenses related to the airfield and terminal operations. Travel to the Jackson Hole area is expected to increase through the next fiscal year. Discussions with the airlines have included a 10% increase in terminal rents and landing fees. Landing fees are calculated on a maximum certified gross weight (CGW) basis and will adjust to \$5.07 per 1,000 pounds landed CGW.

Air carrier revenue is expected to increase 3% for fiscal year 2021/2022 to \$5,308,193 from the actual number in fiscal year 2019/2020. This is due to a projected increase in activity levels over the next fiscal year (in spite of the closure) combined with increased

rents and landing fees. Of this, \$2,309,149 is comprised of terminal space rental and the remaining \$2,999,044 is landing fees.

Rental Cars

Rental car revenue is predominantly composed of minimum annual guaranteed bid amounts (MAGs). The rental car agreements were re-bid this past year in an open competition bid process establishing new MAGs. Additionally, the bid process determines the top three bidders for the contract period which will be Avis/Budget, Enterprise-Alamo/National, and Enterprise Rent A Car. By contract, the on-airport rental car companies are required to pay 10% of gross revenue or their MAG, whichever is higher. The contract does allow for MAG relief if the passenger activity levels drop by 25% or more for three consecutive months. This provision was met in the last fiscal year. The rental car companies accounted for the runway closure period with lower MAGs this upcoming fiscal year and a return to normal the following two years. The rental cars also pay rent for space in the terminal and parking lot (including storage spaces) to help offset the expenses related to the terminal and landside cost centers. The terminal rent will continue during the runway closure so that the rental car companies can assist any non-air travelers who may need vehicle rentals. Finally, the rental cars pay rent, operations and maintenance costs for the use of the rental car quick turnaround (QTA) car wash facility. These fees help to offset the cost of operating the QTA facility. The rental car revenue for fiscal year 2021/2022 is anticipated to be \$5,759,997. This is a 10% adjustment from the actual amount received in fiscal year 2019/2020 of \$5,230,070. The increase is due to an increase in MAGs and an adjustment in terminal rent.

General Aviation

The general aviation revenue source includes landing fees collected from general aviation users as well as concession fees and rents received from the fixed base operator and general aviation contracts. The majority of general aviation revenue is used to help pay for airfield related costs. General aviation traffic was not as strongly impacted by the COVID pandemic as previously anticipated. This upcoming fiscal year, the adjustment for the runway closure has been made which is reflected in a -7% decrease in revenue from the fiscal year 2019/2020 actual receipts. This revenue stream is budgeted to be \$1,576,778 for fiscal year 2021/2022.

Concessions

Much of the income from concessions is received from restaurant revenue. All concession revenue is dependent on activity level and has been adjusted based on anticipated reduced activity during the runway closure. The restaurant revenue is composed of either a percentage of gross revenue or minimum annual guarantee. The operator pays whichever amount is higher. In addition to restaurant revenue, additional concession income is received from catering and vending machines. The concession revenue stream helps to fund the terminal cost center. Concession revenue is budgeted to be \$254,305 for fiscal year 2021/2022.

Parking/Ground Transportation

Parking and ground transportation revenue includes parking fees and ground transportation access fees. Parking and ground transportation fees will remain the same for this fiscal year. These fees help to support the maintenance and upgrades of the airport's roadways and parking lots. The Airport is projecting a decrease in paid parking nights and ground transportation fees due to the runway closure. For fiscal year 2021/2022, parking/ground transportation income is budgeted to be \$1,075,898, a decrease of -18% from fiscal year 2019/2020 actual.

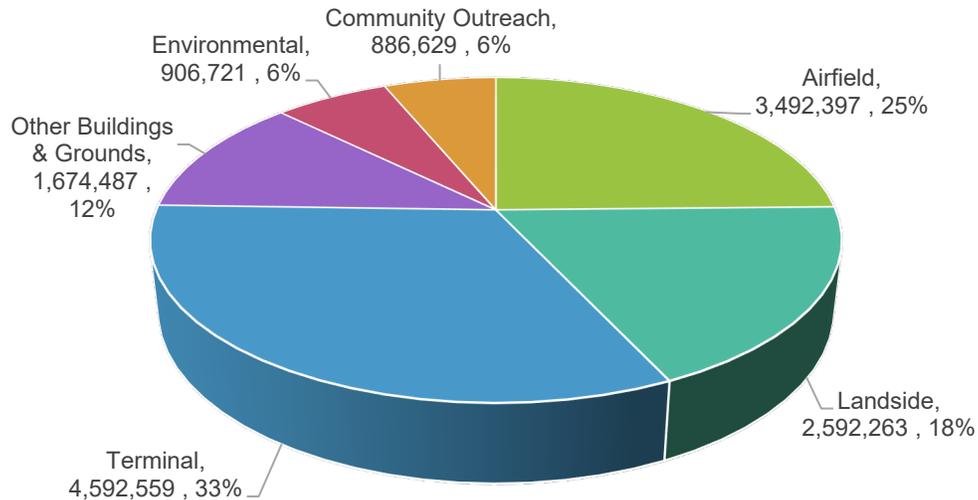
Other Income

Other income includes interest income, advertising income, and other airport revenue. As a result of the economic downturn, we have lost some vendors resulting in a decrease in airport revenue. Additionally, due to the runway closure, the Airport anticipates a decrease in revenue from the Wyoming gas tax refund. The budgeted amount for fiscal year 2021/2022 is \$189,843.

Airport Operations Expense Summary

As presented on the following pages, the budget has been developed to be driven to accomplish the airport's financial objectives. These objectives were detailed above but more broadly include: 1) operate a safe, secure and environmentally responsible airport, 2) exceed customer and community expectations, 3) capital reinvestment to deliver and maintain a world class facility.

Airport Operations Budget Expenses FY 2020 - 2021



Budgeted expenses for airport operations are \$14,145,056. Operating expenses exclude security operations and fuel farm expenses as those are reflected in separate budgets on pages 21 (security) and 22 (fuel farm) following the detailed cost center information.

The number of full-time equivalent staff for Airport (non-screening) employees is projected to increase to 50 for this upcoming fiscal year 2021/2022 including seasonal hosts and seasonal winter operations employees. Screening staff will remain at 62 including support staff. Finally, there is a 1.33% increase in health insurance this year. The proposed personnel expense adjustments are as follows:

- Addition of five full time employees = \$548,300 (fully burdened rate)
- 5% pool for merit adjustment = \$165,300
- Increase in housing and transportation stipend (\$500 to \$750) = \$304,500
- Adjust Employee Assistance Program = \$100,000
- Increase in health insurance of 1.33% = \$11,522

The below table presents the fiscal year 2021/2022 budget numbers compared with actual fiscal year 2019/2020 numbers as well as projected year end.

	Proposed Budget Operating Expense FY 2021-22	Operating Expense Actual FY 2019-20	Projected Operating Expense FY 2020-21
Payroll	5,998,129	4,556,750	4,524,267
Administrative Expense	2,311,064	2,329,221	2,022,615
Utilities	638,563	550,465	580,517
Snow Removal Expense/other	418,619	353,091	344,671
Equipment (non-capital) Expense	392,600	139,216	114,491
Customer & Employee Relations	332,825	271,350	184,814
Environmental Planning & Ops	736,022	625,821	922,193
R & M - Building	1,638,720	1,261,103	1,425,854
R & M - Operations	346,000	219,346	266,835
R & M - Vehicles	304,352	239,465	252,830
Security Operations	146,500	112,210	143,905
QTA Operations	320,662	248,292	83,841
ARFF	242,000	72,203	204,566
Noise Monitoring and Fly Quiet Program	175,000	111,900	149,685
Control Tower Operation	144,000	34,651	99,282
TOTAL OPERATING EXPENSE	14,145,056	11,125,084	11,320,365

Airport Operations Budget Cost Centers

The Airport experienced record passenger travel in 2019 followed by a marked downturn as a result of the COVID pandemic. While passenger traffic has been steadily increasing and visitor numbers may reach 2018 levels this year, the effects of the economic downturn are still being experienced. Additionally, the Airport has increased costs in some areas related to passenger safety and outreach to ensure travelers feel confident returning to the Jackson Hole area.

There are six direct cost centers for the Airport: airfield, landside, terminal, other buildings and grounds, environmental, and community outreach. There are also 15 indirect cost centers for the Airport. The indirect cost centers include areas such as personnel expenses, utilities and building expenses, operations and maintenance expenses and equipment expenses.

When comparing the 2021/2022 budget with previous years' numbers, the most accurate picture again comes from a comparison to 2019/2020 actual numbers. This is because 2019/2020 was the fiscal year when the start of the COVID pandemic was felt. Using this point for assessment will provide a more accurate comparison to the proposed runway reconstruction closure period. A few key areas are highlighted below followed by more detailed information for each cost center.

The below comparisons are against 2019/2020 actual expenses:

- Building repair and maintenance has been increased by \$377,617 to allow for continued investment in the facilities and to avoid deferred maintenance.
- Non-capital equipment expenses have been adjusted by \$253,384 to account for replacement of ARFF equipment and an improvement to the radio communication infrastructure at the Airport.
- Personnel expenses have been adjusted this year to include the items detailed on page 11 including the addition of five staff.
- ARFF has been increased by \$169,797 to provide for continued COVID-19 specific response items. This will continue to be a valuable expense in order to regain passenger comfort with air travel.

In allocating overhead expenses to the cost centers, staff again reviewed staff hours dedicated to the centers as well as the budgeted costs associated with each indirect cost center. This was compared with the prior year's percentages to determine what, if any, adjustments were needed. The expenses for the indirect cost centers excluding administrative expenses were allocated to the direct cost centers based on this analysis. After those direct and indirect costs were allocated to the direct cost centers, administrative expenses were allocated based on the total actual direct and indirect costs for each cost center. This same method was used to allocate administration payroll to the direct cost centers. The overall budget numbers and percentages of the FY 2021/2022 budget for allocation purposes can be found on the following table.

	Proposed Budget Operating Expense FY 2021-22	Airfield		Landside		Terminal		Other Buildings & Grounds		Environmental		Community Outreach	
Payroll	5,998,129	29%	1,739,458	24%	1,439,551	30%	1,769,448	6%	371,884	4%	209,935	8%	467,854
Administrative Expense	2,311,064	35%	808,872	20%	462,213	32%	739,541	10%	231,106	1%	23,111	2%	46,221
Utilities	638,563	4%	22,505	2%	11,611	70%	448,906	21%	136,591	2%	9,782	1%	9,167
Snow Removal Expense/other	418,619	70%	291,668	26%	110,298	0%	-	4%	16,653	0%	-	0%	-
Equipment (non-capital) Expense	392,600	45%	174,824	17%	67,169	20%	77,865	17%	65,047	1%	2,384	1%	5,312
Customer & Employee Relations	332,825	0%	-	0%	-	0%	-	0%	-	15%	50,000	85%	282,825
Environmental Planning & Ops	736,022	0%	-	25%	181,131	9%	65,631	0%	-	59%	436,511	7%	52,750
R & M - Building	1,638,720	0%	-	0%	-	80%	1,315,615	20%	323,105	0%	-	0%	-
R & M - Operations	346,000	37%	127,500	44%	153,500	7%	22,500	6%	20,000	0%	-	7%	22,500
R & M - Vehicles	304,352	51%	155,195	38%	116,391	4%	13,254	6%	19,513	0%	-	0%	-
Security Operations	146,500	30%	43,950	30%	43,950	30%	43,950	10%	14,650	0%	-	0%	-
QTA Operations	320,662	0%	-	0%	-	0%	-	100%	320,662	0%	-	0%	-
ARFF	242,000	53%	128,425	3%	6,450	40%	95,850	5%	11,275	0%	-	0%	-
Noise Monitoring and Fly Quiet Program	175,000	0%	-	0%	-	0%	-	0%	-	100%	175,000	0%	-
Control Tower Operation	144,000	0%	-	0%	-	0%	-	100%	144,000	0%	-	0%	-
TOTAL OPERATING EXPENSE	14,145,056		3,492,397		2,592,263		4,592,559		1,674,487		906,721		886,629

* Percentages reflect cost center allocations. They are not representative of comparisons against prior year's activity.

Airfield Cost Center:

This cost center includes the costs associated with the airfield and air carrier apron including snow removal, aircraft rescue firefighting, operations and maintenance expenses, and utilities expenses. The budget for this cost center represents a 27% increase over the actual fiscal year 2019/2020 amount. This is due to both an increase in non-capital equipment and an increase in ARFF expenses. Non-capital equipment increased due to an investment in an airport emergency operations center including an ARFF information center and replacement of the ARFF SCBA compressor. The adjustment in ARFF is related to emergency operations response including COVID-19 specific efforts. There is also an adjustment in utilities due to a reallocation of expenses.

Airfield

	Proposed Budget Operating Expense FY 2021-22	Operating Expense Actual FY 2019-20	Projected Operating Expense FY 2020-21
Payroll	1,739,458	1,160,604	1,312,037
Administrative Expense	808,872	815,227	707,915
Utilities	22,505	110,093	116,103
Snow Removal Expense/other	291,668	247,164	241,270
Equipment (non-capital) Expense	174,824	32,020	26,333
Customer & Employee Relations	-	-	-
Environmental Planning & Ops	-	12,516	18,444
R & M - Building	-	-	-
R & M - Operations	127,500	65,804	80,050
R & M - Vehicles	155,195	95,786	101,132
Security Operations	43,950	33,663	43,171
QTA Operations	-	-	-
ARFF	128,425	54,152	153,425
Noise Monitoring and Fly Quiet Program	-	-	-
Control Tower Operation	-	-	-
TOTAL OPERATING EXPENSE	3,492,397	2,627,030	2,799,881

Landside Cost Center:

This cost center includes the expenses associated with the parking lots and roadways at the Airport. The increase in the landside cost center over actual fiscal year 2019/2020 is 30%. Environmental increased over 2019/2020 actual by \$149,839 due to a reallocation of expenses. Repair and maintenance (R & M) operations increased \$131,565 over 2019/2020 actual expenses because of parking lot access revenue control system expenses and a reallocation of other expenses in this indirect cost center. There is also an adjustment in utilities due to a reallocation of expenses.

Landside

	Proposed Budget Operating Expense FY 2021-22	Operating Expense Actual FY 2019-20	Projected Operating Expense FY 2020-21
Payroll	1,439,551	911,350	1,085,824
Administrative Expense	462,213	465,844	404,523
Utilities	11,611	82,570	87,077
Snow Removal Expense/other	110,298	88,273	86,168
Equipment (non-capital) Expense	67,169	15,314	12,594
Customer & Employee Relations	-	-	-
Environmental Planning & Ops	181,131	31,291	46,110
R & M - Building	-	126,110	142,585
R & M - Operations	153,500	21,935	26,683
R & M - Vehicles	116,391	71,839	75,849
Security Operations	43,950	33,663	43,171
QTA Operations	-	-	-
ARFF	6,450	7,220	20,457
Noise Monitoring and Fly Quiet Program	-	-	-
Control Tower Operation	-	-	-
TOTAL OPERATING EXPENSE	2,592,263	1,855,409	2,031,042

Terminal:

Included in the terminal cost center are all costs associated with the terminal building including repair and maintenance, custodial, utilities, baggage system and certain security items related to access control (cameras, doors, alarms). Increases in this cost center include building repair and maintenance and ARFF. The terminal cost center increased over actual fiscal year 2019/2020 by 18%. Building R & M (repair and maintenance) is the largest adjustment of \$306,732. This account was adjusted to allow for the continued investment in facilities and to avoid deferred maintenance. Additionally, ARFF was adjusted by \$88,630 over 2019/2020 actual to include emergency response expenses. These are related to COVID-specific expenses. There is also an adjustment in utilities due to a reallocation of expenses.

Terminal

	Proposed Budget Operating Expense FY 2021-22	Operating Expense Actual FY 2019-20	Projected Operating Expense FY 2020-21
Payroll	1,769,448	1,561,143	1,357,280
Administrative Expense	739,541	745,351	647,237
Utilities	448,906	302,756	319,284
Snow Removal Expense/other	-	-	-
Equipment (non-capital) Expense	77,865	48,725	40,072
Customer & Employee Relations	-	-	-
Environmental Planning & Ops	65,631	31,291	46,110
R & M - Building	1,315,615	1,008,883	1,140,683
R & M - Operations	22,500	65,804	80,050
R & M - Vehicles	13,254	23,946	25,283
Security Operations	43,950	33,663	43,171
QTA Operations	-	-	-
ARFF	95,850	7,220	20,457
Noise Monitoring and Fly Quiet Program	-	-	-
Control Tower Operation	-	-	-
TOTAL OPERATING EXPENSE	4,592,559	3,828,782	3,719,627

Other Buildings and Grounds:

This cost center includes the Airport owned hangars, control tower, and the rental car quick turnaround wash facilities. Like the terminal cost center, significant expenses in this cost center include operations and maintenance for these buildings, custodial, and non-capital equipment expenses. This cost center represents a 37% increase over the actual FY 2019/2020 amount. The most significant change is in R&M Building which includes a fiber line project to buildings beyond the terminal and reinsulating Hangar 1. There is an adjustment in utilities due to a reallocation of expenses.

Other Buildings & Grounds

	Proposed Budget Operating Expense FY 2021-22	Operating Expense Actual FY 2019-20	Projected Operating Expense FY 2020-21
Payroll	371,884	314,416	271,456
Administrative Expense	231,106	232,922	202,261
Utilities	136,591	27,523	29,026
Snow Removal Expense/other	16,653	17,655	17,234
Equipment (non-capital) Expense	65,047	18,098	14,884
Customer & Employee Relations	-	-	-
Environmental Planning & Ops	-	-	-
R & M - Building	323,105	126,110	142,585
R & M - Operations	20,000	21,935	26,683
R & M - Vehicles	19,513	11,973	12,642
Security Operations	14,650	11,221	14,390
QTA Operations	320,662	248,292	83,841
ARFF	11,275	3,610	10,228
Noise Monitoring and Fly Quiet Program	-	-	-
Control Tower Operation	144,000	34,651	99,282
TOTAL OPERATING EXPENSE	1,674,487	1,068,406	924,513

Environmental:

This past year the airport continued the progress made in the area of environmental initiatives. The objective this year is to continue to work on the previously established initiatives including the noise monitoring and Fly Quiet Program and Environmental Planning & Operations. One item of note in this cost center is the mass transit study which has been included under the customer and employee relations indirect cost center in an amount equal to \$50,000.

Environmental

	Proposed Budget Operating Expense FY 2021-22	Operating Expense Actual FY 2019-20	Projected Operating Expense FY 2020-21
Payroll	209,935	199,130	180,971
Administrative Expense	23,111	23,292	20,226
Utilities	9,782	27,523	29,026
Snow Removal Expense/other	-	-	-
Equipment (non-capital) Expense	2,384	25,059	20,608
Customer & Employee Relations	50,000	13,567	9,241
Environmental Planning & Ops	436,511	500,657	737,754
R & M - Building	-	-	-
R & M - Operations	-	21,935	26,683
R & M - Vehicles	-	35,920	37,925
Security Operations	-	-	-
QTA Operations	-	-	-
ARFF	-	-	-
Noise Monitoring and Fly Quiet Program	175,000	111,900	149,685
Control Tower Operation	-	-	-
TOTAL OPERATING EXPENSE	906,721	958,983	1,212,119

Community Outreach:

Community outreach has increased 14% this year over fiscal year 2019/2020 actual. With the projected activity levels and proposed projects as well as the ongoing COVID pandemic, continued messaging and community outreach will be invaluable this fiscal year. This is reflected in an increase in the customer and employee relations indirect cost center. The utilities and equipment items included in this cost center relate to telephone and computer expenses. As indicated in the table below, the majority of the cost in this cost center is payroll expense which includes the airport PIO and hosts which are paid out of this cost center as well as a portion of other staff salaries that have been allocated to community outreach.

Community Outreach

	Proposed Budget Operating Expense FY 2021-22	Operating Expense Actual FY 2019-20	Projected Operating Expense FY 2020-21
Payroll	467,854	410,108	316,699
Administrative Expense	46,221	46,584	40,452
Utilities	9,167	-	-
Snow Removal Expense/other	-	-	-
Equipment (non-capital) Expense	5,312	-	-
Customer & Employee Relations	282,825	257,782	175,573
Environmental Planning & Ops	52,750	50,066	73,775
R & M - Building	-	-	-
R & M - Operations	22,500	21,935	26,683
R & M - Vehicles	-	-	-
Security Operations	-	-	-
QTA Operations	-	-	-
ARFF	-	-	-
Noise Monitoring and Fly Quiet Program	-	-	-
Control Tower Operation	-	-	-
TOTAL OPERATING EXPENSE	886,629	786,474	633,183

Security Operations Budget

The airport continues to reflect all security operations in a separate enterprise center. Expenses include the provision of security screening services, night security, and the costs associated with the Town of Jackson Law Enforcement Officer agreement. As described previously, the Airport does not anticipate reimbursement from TSA for performance under the security screening contract during the closure which reduces revenue during this period. However, to ensure a full complement of adequately trained staff are available for the reopening, the Airport intends to retain all employees during the closure. All these items are reflected in the security operations budget presented below.

Revenues	FYE 22
TSA Security	6,334,375
TSA LEO	120,000
Security Badges	19,825
Total Revenues	6,474,200
Expenses	
Security Payroll	(6,110,095)
Claims	(10,000)
Consumables	(100,000)
Night Security	(92,935)
TOJ LEO	(489,549)
Total Expenses	(6,802,579)
Net To/(From) JHAB	(328,379)

Fuel Farm Operations Budget

The fuel farm operating budget is presented below. The Board continues to operate the fuel farm itself and expenses in the fuel farm budget include: one FTE, fuel purchase expense, maintenance, glycol trucking expenses, and insurance. Revenues include fuel sales (at cost), administration fees, and fuel facility use fees (\$0.25/gallon). Fuel farm activity has been adjusted to reflect projected activity for FY 2021/2022 and includes the anticipated 78-day runway closure.

Revenues	
Fuel Revenue w/o fuel fees Jet A	12,000,624
Fuel Revenue w/o fuel fees AvGas	83,147
Customer Facility Fees \$0.05/gal (Jet A)	288,815
Customer Facility Fees \$0.05/gal (AvGas)	1,083
Fuel Facility Fees \$0.20/gal (Jet A)	1,155,261
Fuel Facility Fees \$0.20/gal (AvGas)	4,331
AvGas Revenue	421,407
Unleaded Gas Revenue	63,211
Unleaded Gas Administration	69,389
Dyed Diesel Revenue	10,408
Dyed Diesel Administration	13,467
Glycol T-I Revenue	632,711
Glycol T-I Administration	195,508
Glycol T-IV Revenue	163,652
Glycol T-IV Administration	50,569
Glycol Disposal Revenue	350,000
Total Revenues	15,503,583
Expenses	
Fuel Expense JetA	12,000,624
Fuel Expense AvGas	83,147
Fuel Expense AvGas	421,407
Fuel Expense UnleadedGas	63,211
Fuel Expense DyedDiesel	10,408
Fuel Expense Glycol T-I	632,711
Fuel Expense Glycol T-IV	163,652
Labor (2 FTE)	140,462
Maintenance and Overhead	57,091
Training	2,000
LAS Contract (training & calibration)	17,586
Glycol Disposal Expense	332,360
Trucking Expense	843
Insurance	91,047
Fire Sprinkler/Extinguisher/HVAC	5,000
Contingency Fees	50,000
Total Expenses	14,554,956
Sub-Total Company	
Revenues	15,503,583
Expenses	14,554,956
Funds available for debt service	948,627
Interest / Principal Loan Payment	1,038,021
Net To/From JHAB after Loan Payment	(89,394)

Debt

The Board will be issuing a bond this fiscal year for the restaurant reconstruction and the Hangar 3 construction project. All bonds issued by the Board are “revenue bonds” because they finance income-producing projects and payment of principal and interest on the bonds is secured by a specified revenue source. As required in the individual bond documents the Board holds sufficient funds as restricted cash to cover one year of debt service as well as other restricted cash investments to meet debt service requirements. For the fiscal year 2021/2022 the Board intends to retire the FIB 2018C WBC Terminal Refinance bond.

	Original Bond Amount	Annual Source	Annual Payment
FIB – 2018C WBC Refinance	\$2,166,292		-252,195
FIB – 2018B Rental Car QTA	\$10,700,000		-1,435,001
BOW – 2013 Terminal Bag Claim	\$4,100,000		-250,817
BOW – 2018A Fuel Farm	\$8,500,000		-1,038,021
Total Bond Payments			-2,976,034
Paid with PFC		503,012	
Paid with CFC		1,435,001	
Paid with Flow Fees		1,038,021	
Total Bond Sources		2,976,034	
Difference Payments/Sources			\$0

- FIB 2018C WBC Refinance Bond has an interest rate of 5% and a current balance of \$372,514 (April 1, 2021). The maturity date on the bond is October 12, 2021. The minimum coverage ratio for this debt instrument is 1.25x. PFCs are pledged for the repayment of the 2018C bond and are projected to provide 6.98x coverage.
- The BOW 2013 Terminal Bond has a 2.66% interest rate and a current balance of \$949,985 (April 1, 2021). The maturity date for this bond is May 5, 2025. The minimum coverage ratio is 1.35x. PFCs are pledged for the repayment of the BOW Terminal Bond and are projected to provide a coverage of 7.02x in 2022.
- The BOW 2018A Fuel Facility Bond has an interest rate of 4.05% and a current balance of \$6,562,517 (April 1, 2021). The maturity date for this bond is August 5, 2028. The minimum coverage ratio is 1.25x. The fuel facility fees and customer facility fees charged per gallon of aviation fuel pay the debt service. The projected coverage ratio provided by these fees for fiscal year 2021/2022 is 1.61x.
- The FIB 2018B QTA Bond has a current balance of \$8,560,000 (April 1, 2021). The debt was bid as 10 separate bond issues of \$1,070,000 to provide the most competitive interest rate. One bond is retired each year. The interest rates from year one through year 10 are 4.279%, 4.490%, 4.701%, 4.768%, 4.835%, 4.886%, 4.936%, 4.946%, 4.957%, 4.968%. The maturity date for the debt issue is October 12, 2028. The minimum coverage ratio is 1.25x. Rental car customer facility charges pay the debt service. The projected coverage ratio for fiscal year 2021/2022 is 1.32x.

Capital Plan

Capital expenses such as equipment purchases, and construction costs are funded through the Capital Improvement Program (CIP). Capital funds include the Federal Airport Improvement Program (AIP), state grant funds, Passenger Facility Charges (PFCs) and rental car Customer Facility Charges (CFCs). The Board recognizes the opportunity to work on several large projects simultaneously while the Airport is closed. These include the runway reconstruction, restaurant reconstruction, and checkpoint reconstruction. Additionally, there are several minor capital projects the Airport intends to complete such as an upgrade to the terminal paging system and an expansion of the airline common use system during this time. Some of these projects, such as the restaurant reconstruction, will take longer than the 78-day closure for the runway reconstruction. Staff is working with the construction management team to coordinate all projects and reduce the impacts to travelers as much as possible. Additionally, it is important to note that the CIP is developed each year and updated throughout the year as funding becomes available and projects change priority. The list is comprehensive and not all of the listed projects may be completed in a single year. All of the proposed projects for FY 2021/2022 are detailed in the capital list below.

FBO CAMPUS	Project Cost	Federal	State	Loan	Airport
Hangar 3A-C & GSE CMAR Design	337,325				337,325
Hangar 3A-C & GSE CMAR Pre-Construct Services	6,000				6,000
FBO Terminal & New Hangars Design	1,450,000			1,450,000	
TERMINAL					
Restaurant Expansion Project - Design	375,000			375,000	
Restaurant Expansion Project - CA/CO	425,000			425,000	
Restaurant Expansion Project - Construction	7,200,000			7,200,000	
Checkpoint Expansion - Design	300,305				300,305
Checkpoint Expansion - CA/CO	450,000				450,000
Checkpoint Expansion - Construction	10,000,000				10,000,000
Checkpoint Expansion -FF&E Seating	340,000				340,000
Terminal Ticket Counter Addition CA/CO	25,000				25,000
Terminal Ticket Counter Addition Construct (CMAR)	250,000				250,000
ATO to Holdroom Expansion-Design	40,000				40,000
ATO to Holdroom Expansion-CA/CO	210,000				210,000
ATO to Holdroom Expansion-Construction	660,000				660,000
Restaurant Kiosk Relocation (move to oversize baggage)-Des.	10,000				10,000
Restaurant Kiosk Relocation (move to oversize baggage)-CA/CO	10,000				10,000
Restaurant Kiosk Relocation (move to oversize baggage)-Const	550,000				550,000
Automated Exit Lane-Construct	123,000				123,000
Admin Office Remodel/Upgrades-Design	22,605				22,605
Admin Office Remodel/Upgrades-CA/CO	100,000				100,000
Admin Office Remodel/Upgrades-Construct	1,500,000				1,500,000
Project Coordinator/Owners Rep	60,000				60,000
AIRFIELD					
Runway Design Phase II (Reconstruction)	140,000	140,000			
Runway Reconstruction CA/CO Phase 1 - 2021	410,000	410,000			
Runway Reconstruction CA/CO Phase 2 - 2021_2022	965,000	965,000			
Runway Reconstruction Phase 1 - 2021_2022	10,000,000	10,000,000			
Runway Reconstruction Phase 2 - 2021_2023	30,000,000	30,000,000			
Runway Design Phase III (Deice Capture and Treatment)	300,000	300,000			
Taxiway & Deice Pad Design 23-24	175,000	175,000			
Taxiway & Deice Pad CA/CO 23-24	750,000	750,000			
Seal Coat and Mark Pavements - Design	5,906		5,670		236
Seal Coat and Mark Pavements - CA/CO	16,938		16,260		678
Seal Coat and Mark Pavements - Construction	250,000		240,000		10,000
Wildlife Hazard Modifications	120,000				120,000
Runway Lights (replace bulbs with new project)	152,000				152,000
LANDSIDE					
Pavement Maintenance Parking Lot/Access Road/Curb Repairs	245,000				245,000
Hangar 1 Improvements (garage doors & small expansion)	122,000				122,000
Admin Office Space	250,000				250,000
Pump and Treat System Design	500,000				500,000
Spring Gulch Roadwork	200,000				200,000
EQUIPMENT					
New SRE (Broom or Plow trucks)	400,000				400,000
MINOR PROJECTS/JAC OPS					
Terminal Paging System	250,000				250,000
Electronic Key System	95,000				95,000
Terminal Powered Seats	250,000				250,000
Automated Terminal Biometrics(now ticket counter/cabinet/inserts)	50,000				50,000
Expand Common Use System	500,000				500,000