

**REPORT/ RECOMMENDATION TO THE BOARD OF COMMISSIONERS OF
ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY AND
RECORD OF ACTION**

October 14, 2021

FROM: Roxana L. Hahn, Chief Financial Officer

SUBJECT: Presentation of the Proposed 2022 Annual Budget and approval of Resolution 2021-07, which sets the meeting date for the adoption of the 2022 Budget.

RECOMMENDATION: Adopt Resolution 2021-07

BACKGROUND: The laws of the State of Colorado require the Budget Officer to submit a proposed budget to the governing board each year by October 15th, set a date for the adoption of the budget, and direct that a notice be published advertising the date of said meeting.

FINANCIAL DATA: The proposed budget is attached. The 2022 operating revenue exceeds the operating expense, net of depreciation. The excess revenue is used along with the Beginning Net Funds Available to finance grant matching funds and non-grant capital expenditures.

REVIEW BY OTHERS: Executive Director, Assistant Executive Director, and Department Directors

PRESENTERS: Roxana Hahn, Andrew Gillespie & Robert Olislagers

Action of the Board of Commissioners

	1 st	2 nd	YES	NO	ABS
Bagnato	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Baker	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Doubek	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Holen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sharpe	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

RESOLUTION
2021-07

WHEREAS, a proposed budget for the operation of the Authority for the year 2022 has been prepared; and

WHEREAS, Section 29-1-106 C.R.S. requires that a meeting be set for the adoption of the 2022 Budget and that a notice be published advertising the date of said meeting.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. On the 9th day of December 2021 at the hour of 3:00 p.m. in the Board Room of the Aviation Community & Administrative Facility, 7565 South Peoria Street, Englewood, Colorado, the proposed 2022 Budget of the Arapahoe County Public Airport Authority will be considered.
2. The following notice of said hearing date will be published in the Villager and the Douglas County News Press, at least one time prior to said hearing in accordance with law, to wit:

NOTICE OF BUDGET HEARING

Notice is hereby given that a proposed budget has been submitted to the Board of Commissioners of the Arapahoe County Public Airport Authority for the ensuing year of 2022. That a copy of such proposed budget has been filed in the office of Centennial Airport, where same is open for public inspection. That such proposed budget will be considered at the regular meeting of the Board of Commissioners of the Arapahoe County Public Airport Authority to be held at 7565 South Peoria Street on December 9, 2021 at 3:00 p.m.

Any interested elector of Arapahoe County or Douglas County may inspect the proposed budget and file or register any objections thereto prior to the final adoption of the budget.

ADOPTED this 14th day of October 2021.

Arapahoe County Public Airport Authority

Nancy Sharpe, Chair

Jeff Baker, Clerk

MEMORANDUM

To: Arapahoe County Public Airport Authority Board of Commissioners
From: Roxana L. Hahn, Chief Financial Officer
Date: October 14, 2021
Subject: Proposed Annual Budget for the Fiscal Year 2022

Enclosed are the operating and capital budgets proposed for 2022, the 2021 estimates, and the actual results of operations for 2020.

1. Operating revenues are based on current contracts, agreements, and anticipated miscellaneous revenue sources. The budget anticipates 2022 revenues will continue to recover from the COVID 19 pandemic. Revenues are projected to increase in 2022 by \$605,901 or 7.67%. This increase in revenue is primarily due to increases in aviation fees, customs fees, and construction fees. Total land rent and building rent are expected to stay flat. Commercial activity fees and some other sources of revenue may have minor changes, but overall, most are expected to remain the same as 2021.
2. Other funds anticipated in 2022 include Federal Aviation Administration (FAA) reimbursements of \$13,450,000 in Airport Improvement Program (AIP) grants. This represents approximately a 90% reimbursement of the project cost for the AIP projects. Funds are also anticipated from state grants for \$1,100,000. This represents a reimbursement of a portion of the grant match for the FAA AIP grant for the Rehabilitation of Runway 17R/35L, TWY B, North Run-up, and Construct Mid-field Run-up; ARFF Training Simulator; and Multi-Function Snow Removal Equipment.
3. Expenses (net of depreciation) reflect an increase of \$228,195 or 3.71% in 2022. The increase in expense is primarily due to increases in supplies, service, maintenance, and other expenses.
4. Grant-Funded capital expenditures of \$17,169,444 are expected in 2022 under the Federal Aviation Administration Airport Improvement Program and state grant program. The grants are expected to finance the Rehabilitation of Runway 17R/35L, TWY B, North Run-up, and Construct Mid-field Run-up; Reconstruct Taxiway C; a Part 150 study; ARFF Training Simulator; and Multi-Function Snow Removal Equipment.

Non-Grant capital expenditures for 2022 of \$8,110,700 are projected for a SRE building expansion, wildlife fence, multi-function snow removal equipment, aircraft wash rack, airfield and landside improvements, security gates and cameras, renewable energy generator system, computers and servers, tower cab remodel, airport vehicles, maintenance equipment, furniture and fixtures, vehicle charging station, mailboxes, and office equipment.
5. The sale of an asset is expected in 2022 for estimated net proceeds of \$6,000,000.
6. This budget is prepared on the modified accrual basis.

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY
2022 BUDGET

STATEMENT OF REVENUE, EXPENSES AND AVAILABLE FUNDS

	2020 Actual	2021 Estimate	2022 Proposed
Audited Funds Available (Beginning)	\$ 15,960,304	\$ 8,457,253	\$ 8,922,026
Revenue	\$ 7,239,351	\$ 7,897,576	\$ 8,503,477
Sale of Asset	\$ -	\$ -	\$ 6,000,000
Grant Reimbursement	\$ 5,184,551	\$ 337,448	\$ 14,550,000
Total Revenue and Funds Available	\$ 28,384,206	\$ 16,692,277	\$ 37,975,504
Expense (Net of Depreciation)	\$ 5,417,644	\$ 6,143,344	\$ 6,371,537
Aviation Community & Administrative Facility	\$ 7,953,059	\$ 76,755	\$ -
Grant-Funded Projects	\$ 4,865,228	\$ 602,144	\$ 17,169,444
Other Capital Expenditures	\$ 1,691,021	\$ 948,008	\$ 8,110,700
Total Expenditures	\$ 19,926,953	\$ 7,770,251	\$ 31,651,681
NET FUNDS AVAILABLE (Ending)	\$ 8,457,253	\$ 8,922,026	\$ 6,323,822

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY
2022 BUDGET

REVENUE

	2020 Actual	2021 Estimate	2022 Proposed
Operating Revenue:			
Land Rent & Option Fees			
Air Methods	\$ 230,476	\$ 237,085	\$ 243,894
TAC Air	\$ 137,830	\$ 167,873	\$ 167,873
APA Centre	\$ 72,153	\$ 76,546	\$ 76,546
Arapahoe County Road & Bridge	\$ 335,534	\$ 341,005	\$ 346,475
Arapahoe AP Joint Venture #1 / Parcel 50-5	\$ 55,020	\$ 55,792	\$ 85,702
Denver jetCenter	\$ 869,703	\$ 869,602	\$ 787,940
South Suburban	\$ 129,297	\$ 133,176	\$ 137,172
Hotel	\$ 88,750	\$ 91,411	\$ 25,519
Sunborne	\$ 231,089	\$ 228,215	\$ 227,604
Willowbrook Association	\$ 77,354	\$ 79,513	\$ 158,192
Other	\$ 393,063	\$ 352,826	\$ 370,448
Less: Interest non-regulated leases	\$ (157,164)	\$ (94,087)	\$ (90,809)
Total Land Rent & Option Fees	\$ 2,463,106	\$ 2,538,957	\$ 2,536,556
Building Rent			
Denver jetCenter	\$ 76,801	\$ 78,688	\$ 81,048
FAA Tower/Office	\$ 151,108	\$ 197,431	\$ 197,431
Total Building Rent	\$ 227,909	\$ 276,119	\$ 278,479
Aviation Fees			
Aviation Fuel Fees from FBOs	\$ 1,208,694	\$ 1,498,000	\$ 1,520,000
Colorado Fuel Tax	\$ 967,341	\$ 1,334,000	\$ 1,354,000
Tie Down Fees	\$ 383,794	\$ 470,000	\$ 470,000
T-Hangar Management Fees	\$ 179,433	\$ 194,000	\$ 194,000
Other Fuel Tax Fees	\$ 71,113	\$ 89,000	\$ 90,335
Total Aviation Fees	\$ 2,810,375	\$ 3,585,000	\$ 3,628,335
Commercial Activity Fees			
Aircraft Fees	\$ 46,002	\$ 53,000	\$ 53,800
Activity Fees	\$ 16,250	\$ 17,000	\$ 17,500
Additional Compensation	\$ 262,655	\$ 278,500	\$ 262,000
Application Fees	\$ 900	\$ 1,200	\$ 1,000
Total Commercial Activity Fees	\$ 325,807	\$ 349,700	\$ 334,300
Other Sources of Revenue			
Car Rental Concession Fees	\$ 62,170	\$ 72,000	\$ 75,000
Security Gate Cards	\$ 17,637	\$ 17,000	\$ 17,000
Vending Machine Concession Fees	\$ 346	\$ 500	\$ 500
Directory Sign Fees	\$ 4,256	\$ 6,593	\$ 7,300
Restaurant Concession Fees	\$ 101,934	\$ 136,000	\$ 150,000
Construction Fees	\$ 452,447	\$ 165,000	\$ 750,000
Customs Fees	\$ 206,731	\$ 305,000	\$ 325,000
Other	\$ 307,244	\$ 333,106	\$ 267,436
Total Other Sources of Revenue	\$ 1,152,764	\$ 1,035,199	\$ 1,592,236
Total Operating Revenue	\$ 6,979,961	\$ 7,784,975	\$ 8,369,906

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY
2022 BUDGET

REVENUE

	2020 Actual	2021 Estimate	2022 Proposed
Other Revenue:			
Note Receivable Parcel 50 Ramp	\$ 29,022	\$ 5,679	\$ 6,028
CACNR Revenue	\$ -	\$ -	\$ 23,250
Interest			
Note Receivable Interest	\$ 4,026	\$ 3,835	\$ 3,485
Investment Interest	\$ 69,132	\$ 9,000	\$ 10,000
Interest Other	\$ 46	\$ -	\$ -
Interest on Non-regulated Leases	\$ 157,164	\$ 94,087	\$ 90,809
Total Interest	\$ 230,368	\$ 106,922	\$ 104,294
Total Other Revenue	\$ 259,390	\$ 112,601	\$ 133,571
TOTAL ALL REVENUE	<u>\$ 7,239,351</u>	<u>\$ 7,897,576</u>	<u>\$ 8,503,477</u>

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY
2022 BUDGET

EXPENSE

	2020 Actual	2021 Estimate	2022 Proposed
Operating Expenses:			
Personnel Service	\$ 2,032,372	\$ 2,161,998	\$ 2,105,553
Salaries	\$ -	\$ -	\$ -
Temporary Personnel	\$ 247,287	\$ 282,000	\$ 305,000
Employee's Insurance	\$ 42,266	\$ 54,050	\$ 52,639
Workers' Compensation Insurance	\$ 144,542	\$ 165,393	\$ 161,075
FICA Taxes	\$ 122,078	\$ 136,206	\$ 147,389
Pension-Authority's Share	\$ 4,300	\$ 6,000	\$ 6,000
Pension Plan Administration Fee	\$ 30,000	\$ 30,000	\$ 60,000
Deferred Comp Plan	\$ -	\$ -	\$ -
Unemployment Compensation	\$ 5,294	\$ 10,000	\$ 10,000
Recruiting Expense	\$ -	\$ -	\$ -
Total Personnel Service	\$ 2,628,139	\$ 2,845,647	\$ 2,847,656
Supplies, Services, & Maintenance	\$ 40,736	\$ 25,950	\$ 36,150
Office Supplies	\$ 2,755	\$ 2,800	\$ 2,800
Postage	\$ 250	\$ 650	\$ 700
Advertising	\$ 49,739	\$ 64,700	\$ 93,200
Public Relations/Business Development	\$ 50,554	\$ 48,500	\$ 48,500
Dues & Publications	\$ 4,124	\$ 2,500	\$ 5,000
Printing & Copying	\$ 6,472	\$ 4,869	\$ 4,869
Copier, FAX & Postage Machine Leases	\$ 138,905	\$ 156,770	\$ 176,305
Insurance	\$ 48,000	\$ 57,450	\$ 42,250
Financial	\$ 131,701	\$ 59,289	\$ 80,000
Legal	\$ 46,614	\$ 72,391	\$ 128,200
Transportation, Meetings, & Seminars	\$ 19,783	\$ 40,000	\$ 50,000
Engineering & Surveying	\$ 95,017	\$ 110,500	\$ 149,500
Noise	\$ 93,371	\$ 142,700	\$ 146,700
Gas & Electricity	\$ 86,962	\$ 113,000	\$ 110,000
Telephone	\$ 240,039	\$ 259,242	\$ 266,706
Water & Sewer	\$ 23,608	\$ 39,000	\$ 44,400
Operating/Maintenance Supplies	\$ 31,527	\$ 60,000	\$ 60,000
Gasoline & Oil	\$ 9,850	\$ 10,000	\$ 10,000
Laundry	\$ 5,314	\$ 16,000	\$ 23,500
Small Tools & Minor Equipment	\$ 276,095	\$ 335,000	\$ 350,000
Customs Expense	\$ 162,356	\$ 292,062	\$ 245,103
R&M - Equipment	\$ 297,833	\$ 414,100	\$ 456,500
R&M - Buildings & Improvements	\$ 5,096	\$ 8,000	\$ 10,000
Equipment Rental	\$ 10,894	\$ 16,550	\$ 24,100
Miscellaneous	\$ -	\$ -	\$ -
Total Supplies, Services, Maintenance	\$ 1,877,595	\$ 2,352,023	\$ 2,564,483
Non-Cash Operating Expense	\$ 4,738,900	\$ 4,900,000	\$ 5,800,000
Depreciation	\$ 4,738,900	\$ 4,900,000	\$ 5,800,000
Total Non-Cash Operating Expense	\$ 4,738,900	\$ 4,900,000	\$ 5,800,000
Total Operating Expenses	\$ 9,244,634	\$ 10,097,670	\$ 11,212,139

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY
2022 BUDGET

EXPENSE

	2020 Actual	2021 Estimate	2022 Proposed
Other Expenses			
Loan Payment	\$ 731,922	\$ 750,220	\$ 768,975
Studies requested by the Authority Board	\$ -	\$ 4,000	\$ 4,000
Consulting	\$ 2,500	\$ 15,000	\$ 15,000
GA Security	\$ -	\$ 4,000	\$ 4,000
Board Education	\$ -	\$ 4,000	\$ 4,000
Interest Expense	\$ 171,712	\$ 152,854	\$ 133,823
Legislative Expense	\$ -	\$ 5,600	\$ 5,600
CACNR Expense	\$ 5,777	\$ 10,000	\$ 24,000
Non-Cash Expense	\$ -	\$ -	\$ -
Total Other Expenses	<u>\$ 911,910</u>	<u>\$ 945,674</u>	<u>\$ 959,398</u>
Total Exp. Including Non-Cash Exp.	\$ 10,156,544	\$ 11,043,344	\$ 12,171,537
Less: Non-Cash Expense	<u>\$ 4,738,900</u>	<u>\$ 4,900,000</u>	<u>\$ 5,800,000</u>
TOTAL ALL EXPENSES	<u>\$ 5,417,644</u>	<u>\$ 6,143,344</u>	<u>\$ 6,371,537</u>

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY
2022 BUDGET

	<u>2021 Estimate</u>	<u>2022 Proposed</u>
Capital Expenditures		
Grant Projects		
2021 Projects (Per Schedule A)	\$ 602,144	
2022 Projects (Per Schedule B)		\$ 17,169,444
	<u>\$ 602,144</u>	<u>\$ 17,169,444</u>
Total Grants	\$ 602,144	\$ 17,169,444
Less Grants Reimbursement	<u>\$ 337,448</u>	<u>\$ 14,550,000</u>
TOTAL	\$ 264,696	\$ 2,619,444
Non-Grant Projects		
2021 Expenditures (Per Schedule C)	\$ 948,008	
2022 Expenditures (Per Schedule D)		\$ 8,110,700
	<u>\$ 948,008</u>	<u>\$ 8,110,700</u>
TOTAL	\$ 948,008	\$ 8,110,700
Total Capital Expenditures Net of Grant Reimbursement	\$ 1,212,704	\$ 10,730,144

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY
2022 BUDGET

Schedule A - Grants - 2021

AIP 51		
Update Master Plan / Airport Geographical Information System	\$	4,965
AIP 52		
Rehabilitation Taxiway N & Runway 17R/35L & Taxiway B Electrical	\$	102,354
AIP 54		
Airport Coronavirus Response Grant Program	\$	57,000
AIP 55		
Airport Rescue Grant Program	\$	148,000
AIP 56		
Rehab Runway 17R/35L, TWY B, North Run-up, & Construct Mid-field Run-up - Design	\$	250,000
State Grant - ARFF Foam Testing Equipment	\$	39,200
State Grant - Update Master Plan / GIS Match	\$	625
TOTAL	\$	602,144

Schedule B - Grants - 2022

AIP 56		
Rehab Runway 17R/35L, TWY B, North Run-up, & Construct Mid-field Run-up	\$	9,000,000
AIP 57		
Reconstruct Taxiway C	\$	4,444,444
AIP 58		
Part 150 Study	\$	1,500,000
State Grant - Rehab Runway 17R/35L, TWY B, North Run-up, & Construct Mid-field Run-up	\$	250,000
State Grant - ARFF Training Simulator	\$	1,000,000
State Grant - Multi-Function Snow Removal Equipment	\$	975,000
TOTAL	\$	17,169,444

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY
2022 BUDGET

Schedule C - Non-Grant Projects - 2021

Design SRE Maintenance Building Improvement	\$ 200,000
Security Gates and Cameras	\$ 180,000
Airfield Striping & Rubber Removal	\$ 175,000
Gate One Concrete Replacement	\$ 70,000
Computers and Servers	\$ 52,167
Radio Upgrade	\$ 50,000
Furniture and Fixtures	\$ 26,460
Construction Warranty Administration	\$ 9,500
Office Equipment	\$ 7,200
Mailbox Replacement	\$ 2,681
SteraMist Equipment	
	\$ 948,008
	\$ 948,008

Schedule D - Non-Grant Projects - 2022

SRE Building Expansion	\$ 3,700,000
Wildlife Fence	\$ 1,000,000
Multi-Function Snow Removal Equipment	\$ 975,000
Aircraft Wash Rack	\$ 500,000
Wayfinding Upgrade	\$ 400,000
Airfield Seal Coat	\$ 340,000
Security Gates and Cameras	\$ 180,000
Airfield Striping & Rubber Removal	\$ 135,000
Exhibit A Property Map	\$ 125,000
Renewable Energy Generator System	\$ 100,000
Thermo Plastic Airfield Markings	\$ 100,000
Computers and Servers	\$ 85,000
Operations Vehicle (Replacement)	\$ 85,000
Strategic Plan Update	\$ 75,000
Airport Vehicle (Replacement)	\$ 70,000
Airport Vehicle (Addition)	\$ 70,000
Tower Cab Remodel	\$ 60,000
Landscaping	\$ 50,000
Furniture and Fixtures	\$ 15,000
Pressure Washer	\$ 10,000
Vehicle Charging Station	\$ 10,000
Office Equipment	\$ 9,500
Flail Mower Replacement	\$ 9,000
Mailbox Replacement	\$ 7,200
	\$ 8,110,700
	\$ 8,110,700

