

MEMORANDUM

To: Arapahoe County Public Airport Authority Board of Commissioners

From: Roxana L. Hahn, Chief Financial Officer

Date: December 9, 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 \$500,402 or 6.25%. 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 \$1,109,000. 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; Multi-Function Snow Removal Equipment; and Electric Vehicle Charging Station.
3. Expenses (net of depreciation) reflect an increase of \$352,257 or 5.73% in 2022. The increase in expense is primarily due to increases in supplies, service, maintenance, and other expenses.
4. Grant-Funded capital expenditures of \$17,206,644 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; Multi-Function Snow Removal Equipment; and Electric Vehicle Charging Station.

Non-Grant capital expenditures for 2022 of \$10,511,600 are projected for a SRE building expansion, phase 2 of ACAF, wildlife fence, multi-function snow removal equipment, aircraft wash rack, airfield and landside improvements, security gates and cameras, gate one concrete replacement, renewable energy generator system, computers and servers, tower cab remodel, airport vehicles, property map, strategic plan update, maintenance equipment, furniture and fixtures, rotating beacon, mailboxes, window replacement 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	\$ 9,316,035
Revenue	\$ 7,239,351	\$ 8,003,076	\$ 8,503,478
Sale of Asset	\$ -	\$ -	\$ 6,000,000
Grant Reimbursement	\$ 5,184,551	\$ 337,448	\$ 14,559,000
Total Revenue and Funds Available	\$ 28,384,206	\$ 16,797,777	\$ 38,378,513
Expense (Net of Depreciation)	\$ 5,417,644	\$ 6,149,344	\$ 6,501,600
Aviation Community & Administrative Facility	\$ 7,953,059	\$ 46,000	\$ -
Grant-Funded Projects	\$ 4,865,228	\$ 611,790	\$ 17,206,644
Other Capital Expenditures	\$ 1,691,021	\$ 674,608	\$ 10,511,600
Total Expenditures	\$ 19,926,953	\$ 7,481,742	\$ 34,219,844
NET FUNDS AVAILABLE (Ending)	\$ 8,457,253	\$ 9,316,035	\$ 4,158,668

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	\$ 270,500	\$ 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	\$ 1,140,699	\$ 1,592,236
Total Operating Revenue	\$ 6,979,961	\$ 7,890,475	\$ 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	 \$ 133,572
 TOTAL ALL REVENUE	 \$ 7,239,351	 \$ 8,003,076	 \$ 8,503,478

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY
2022 BUDGET

EXPENSE

	2020 Actual	2021 Estimate	2022 Proposed
Operating Expenses:			
Personnel Service			
Salaries	\$ 2,032,372	\$ 2,161,998	\$ 2,105,553
Temporary Personnel	\$ -	\$ -	\$ -
Employee's Insurance	\$ 247,287	\$ 282,000	\$ 310,000
Workers' Compensation Insurance	\$ 42,266	\$ 54,050	\$ 67,728
FICA Taxes	\$ 144,542	\$ 165,393	\$ 207,249
Pension-Authority's Share	\$ 122,078	\$ 136,206	\$ 147,389
Pension Plan Administration Fee	\$ 4,300	\$ 6,000	\$ 6,000
Deferred Comp Plan	\$ 30,000	\$ 30,000	\$ 70,000
Unemployment Compensation	\$ -	\$ -	\$ -
Recruiting Expense	\$ 5,294	\$ 10,000	\$ 10,000
Total Personnel Service	\$ 2,628,139	\$ 2,845,647	\$ 2,923,919
Supplies, Services, & Maintenance			
Office Supplies	\$ 40,736	\$ 25,950	\$ 36,150
Postage	\$ 2,755	\$ 2,800	\$ 2,800
Advertising	\$ 250	\$ 650	\$ 700
Public Relations/Business Development	\$ 49,739	\$ 64,700	\$ 93,200
Dues & Publications	\$ 50,554	\$ 48,500	\$ 48,500
Printing & Copying	\$ 4,124	\$ 2,500	\$ 5,000
Copier, FAX & Postage Machine Leases	\$ 6,472	\$ 4,869	\$ 4,869
Insurance	\$ 138,905	\$ 156,770	\$ 176,305
Financial	\$ 48,000	\$ 57,450	\$ 42,250
Legal	\$ 131,701	\$ 59,289	\$ 80,000
Transportation, Meetings, & Seminars	\$ 46,614	\$ 78,391	\$ 167,000
Engineering & Surveying	\$ 19,783	\$ 40,000	\$ 50,000
Noise	\$ 95,017	\$ 110,500	\$ 149,500
Gas & Electricity	\$ 93,371	\$ 142,700	\$ 146,700
Telephone	\$ 86,962	\$ 113,000	\$ 110,000
Water & Sewer	\$ 240,039	\$ 259,242	\$ 266,706
Operating/Maintenance Supplies	\$ 23,608	\$ 39,000	\$ 44,400
Gasoline & Oil	\$ 31,527	\$ 60,000	\$ 60,000
Laundry	\$ 9,850	\$ 10,000	\$ 10,000
Small Tools & Minor Equipment	\$ 5,314	\$ 16,000	\$ 23,500
Customs Expense	\$ 276,095	\$ 335,000	\$ 350,000
R&M - Equipment	\$ 162,356	\$ 292,062	\$ 260,103
R&M - Buildings & Improvements	\$ 297,833	\$ 414,100	\$ 456,500
Equipment Rental	\$ 5,096	\$ 8,000	\$ 10,000
Miscellaneous	\$ 10,894	\$ 16,550	\$ 24,100
Total Supplies, Services, Maintenance	\$ 1,877,595	\$ 2,358,023	\$ 2,618,283
Non-Cash Operating Expense			
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	\$ 10,103,670	\$ 11,342,202

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	\$ 911,910	\$ 945,674	\$ 959,398
Total Exp. Including Non-Cash Exp.	\$ 10,156,544	\$ 11,049,344	\$ 12,301,600
Less: Non-Cash Expense	\$ 4,738,900	\$ 4,900,000	\$ 5,800,000
TOTAL ALL EXPENSES	\$ 5,417,644	\$ 6,149,344	\$ 6,501,600

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY
2022 BUDGET

	2021 Estimate	2022 Proposed
Capital Expenditures		
Grant Projects		
2021 Projects (Per Schedule A)	\$ 611,790	
2022 Projects (Per Schedule B)		\$ 17,206,644
Total Grants	\$ 611,790	\$ 17,206,644
Less Grants Reimbursement	\$ 337,448	\$ 14,559,000
TOTAL	\$ 274,342	\$ 2,647,644
Non-Grant Projects		
2021 Expenditures (Per Schedule C)	\$ 674,608	
2022 Expenditures (Per Schedule D)		\$ 10,511,600
TOTAL	\$ 674,608	\$ 10,511,600
Total Capital Expenditures Net of Grant Reimbursement	\$ 948,950	\$ 13,159,244

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	\$	112,000
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	\$	611,790

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
State Grant - Electric Vehicle Charging Station	\$	37,200
TOTAL	\$	17,206,644

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY
2022 BUDGET

Schedule C - Non-Grant Projects - 2021

Airfield Striping & Rubber Removal	\$ 175,000
Security Gates and Cameras	\$ 160,000
Design SRE Maintenance Building Improvement	\$ 100,000
Radio Upgrade	\$ 52,167
Computers and Servers	\$ 50,000
Furniture and Fixtures	\$ 50,000
Gate One Concrete Replacement	\$ 40,000
Construction Warranty Administration	\$ 26,460
Office Equipment	\$ 9,500
Mailbox Replacement	\$ 7,200
SteraMist Equipment	\$ 2,681
Automated External Defibrillator	\$ 1,600
	\$ 674,608

Schedule D - Non-Grant Projects - 2022

SRE Building Expansion	\$ 3,800,000
Phase 2 of Aviation Community & Administrative Facility	\$ 2,000,000
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	\$ 200,000
Gate One Concrete Replacement	\$ 175,000
Airfield Striping & Rubber Removal	\$ 135,000
Exhibit A Property Map	\$ 125,000
Computers and Servers	\$ 105,000
Renewable Energy Generator System	\$ 100,000
Thermo Plastic Airfield Markings	\$ 100,000
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
Upgrade Ramp Lighting to LED	\$ 50,000
Furniture and Fixtures	\$ 25,000
Rotating Beacon	\$ 20,000
Pressure Washer	\$ 10,000
Vehicle Charging Station	\$ 10,000
Office Equipment	\$ 9,500
Flail Mower Replacement	\$ 9,000
Mailbox Replacement	\$ 7,200
Window Replacement	\$ 5,900
	\$ 10,511,600

RESOLUTION TO ADOPT BUDGET
No. 2021-09

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR CENTENNIAL AIRPORT AND ADOPTING A BUDGET FOR THE ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2022 AND ENDING ON THE LAST DAY OF DECEMBER 2022.

WHEREAS, Roxana Hahn, Chief Financial Officer, has submitted a proposed budget to the Board of Commissioners of the Arapahoe County Public Airport Authority (“Authority”) on October 14, 2021 for its consideration at the December 9, 2021 meeting and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, notifying that the proposed budget was open for inspection by the public at the Authority’s office, a public hearing was held on December 9, 2021 and interested taxpayers were given the opportunity to file or register any objections to said proposed budget, and;

NOW, THEREFORE, BE IT RESOLVED BY the Board of Commissioners of the Arapahoe County Public Airport Authority, Colorado:

Section one. THAT ESTIMATED EXPENDITURES ARE AS FOLLOWS:

Expenses (Net of depreciation)	\$ 6,501,600
Grant Funded Projects	\$ 17,206,644
Other Capital Expenditures	\$ 10,511,600

Section two. THAT ESTIMATED REVENUES ARE AS FOLLOWS:

Revenue and Beginning Funds Available	\$ 17,819,513
Sale of Asset	\$ 6,000,000
Grant Reimbursements	\$ 14,559,000

Section three. That the budget as submitted, amended, and hereinabove summarized, hereby is approved and adopted as the budget of the Arapahoe County Public Airport Authority for the year stated above.

Section four. That the budget hereby approved and adopted shall be signed by the Chairman and Clerk and made a part of the public records of the Arapahoe County Public Airport Authority.

ADOPTED, this 9th day of December 2021.



ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY

Nancy Sharpe, Chair

ATTEST:

Jeff Baker, Clerk

APPROPRIATION RESOLUTION
No. 2021-10

WHEREAS, Section 29-1-108 C.R.S. requires an appropriation resolution to be adopted by the governing body of this Authority for each ensuing fiscal year.

NOW, THEREFORE, BE IT RESOLVED, that the total sum of \$34,219,844 be appropriated for the Arapahoe County Public Airport Authority for the fiscal year 2022.

FURTHER RESOLVED, that the Chief Financial Officer is authorized and directed to file a certified copy of the budget with the Division of Local Government in the Department of Local Affairs.

DATED this 9th day of December 2021.



ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY

By 
Nancy Sharpe, Chair

ATTEST:

By 
Jeff Baker, Clerk