



CENTENNIAL AIRPORT
ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY

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MEMORANDUM

To: Arapahoe County Public Airport Authority Board of Commissioners
From: Roxana L. Hahn, Chief Financial Officer
Date: December 12, 2019
Subject: Proposed Annual Budget for the Fiscal Year 2020

Enclosed are the operating and capital budgets proposed for 2020, the 2019 estimates, and the actual results of operations for 2018.

1. Operating revenues are based on current contracts, agreements, and anticipated miscellaneous revenue sources. Revenues are projected to increase in 2020 by \$988,271 or 14.03%. This increase in revenue is primarily due to increases in land rent, building rent, and construction fees. Total aviation fees are expected to stay the same.
2. Other funds anticipated in 2020 include Federal Aviation Administration (FAA) reimbursements of \$6,405,000 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 \$256,250. This represents a reimbursement of a portion of the grant match for the FAA AIP grants for the master plan and geographical information system update and airfield improvements.
3. Expenses (net of depreciation) reflect an increase of \$743,437 or 12.92% in 2020. The increase in expense is primarily due to increases in personnel service and supplies, service, and maintenance.
4. The 2019 budget estimate anticipates the start of construction of the Aviation Community & Administrative Facility for \$550,000 and the 2020 proposed budget anticipates the completion of the Facility for \$8,350,000.
5. Capital expenditures of \$7,072,916 under the Federal Aviation Administration Airport Improvement Program and the State Grant Program are projected for 2020. The grants are expected to finance a master plan and airport geographical information system update and airfield improvements.

Non-Grant capital expenditures for 2020 of \$2,788,000 are projected for furniture and fixtures, building design & engineering, airfield & landside improvements, security cameras & access control upgrades, parking lot improvements, computer, audio visual, & software upgrades, building security systems, landscaping, maintenance building improvement design, tower cab remodel, maintenance equipment storage, mailboxes, relocation costs, a trade show display, office equipment, and environmental equipment.

6. This budget is prepared on the modified accrual basis.

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY-2020
BUDGET

STATEMENT OF REVENUE, EXPENSES AND AVAILABLE FUNDS

	2018 Actual	2019 Estimate	2020 Proposed
Audited Funds Available (Beginning)	\$ 3,954,006	\$ 13,502,841	\$ 15,198,810
Revenue	\$ 7,266,402	\$ 7,041,960	\$ 8,030,231
Sale of Asset #1	\$ -	\$ 295,004	\$ -
Sale of Asset #2	\$ -	\$ 2,537,575	\$ -
Loan	\$ 8,000,000	\$ -	\$ -
Grant Reimbursement	\$ 431,521	\$ 284,074	\$ 6,661,250
Total Revenue and Funds Available	\$ 19,651,929	\$ 23,661,454	\$ 29,890,291
Expense (Net of Depreciation)	\$ 4,328,854	\$ 5,753,413	\$ 6,496,850
Aviation Community & Administrative Facility	\$ -	\$ 550,000	\$ 8,350,000
Grant-Funded Projects	\$ 468,114	\$ 610,284	\$ 7,072,916
Other Capital Expenditures	\$ 1,352,120	\$ 1,548,947	\$ 2,788,000
Total Expenditures	\$ 6,149,088	\$ 8,462,644	\$ 24,707,766
NET FUNDS AVAILABLE (Ending)	\$ 13,502,841	\$ 15,198,810	\$ 5,182,525

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY-2020
BUDGET

REVENUE

	2018 Actual	2019 Estimate	2020 Proposed
Operating Revenue:			
Land Rent & Option Fees			
Air Methods	\$ 217,834	\$ 224,061	\$ 230,476
TAC Air	\$ 83,666	\$ 83,937	\$ 137,863
APA Centennial Hangars	\$ 68,011	\$ 70,051	\$ 72,153
Arapahoe County Road & Bridge	\$ 324,593	\$ 330,063	\$ 335,534
Arapahoe AP Joint Venture #1	\$ 53,448	\$ 54,249	\$ 55,020
Denver jetCenter	\$ 577,168	\$ 511,425	\$ 869,602
South Suburban	\$ 121,875	\$ 125,531	\$ 129,297
Hotel	\$ 83,656	\$ 86,165	\$ 88,750
Sunborne	\$ 228,473	\$ 229,999	\$ 231,089
Willowbrook Association	\$ 73,037	\$ 75,195	\$ 77,354
Other	\$ 259,554	\$ 331,704	\$ 344,709
Less: Interest non-regulated leases			\$ (162,835)
Total Land Rent & Option Fees	\$ 2,091,315	\$ 2,122,380	\$ 2,409,012
Building Rent			
Denver jetCenter	\$ 65,643	\$ 76,801	\$ 76,801
FAA Tower/Office	\$ 146,725	\$ 104,343	\$ 146,725
Total Building Rent	\$ 212,368	\$ 181,144	\$ 223,526
Aviation Fees			
Aviation Fuel Fees from FBOs	\$ 1,408,193	\$ 1,385,000	\$ 1,385,000
Colorado Fuel Tax	\$ 1,360,609	\$ 1,280,000	\$ 1,280,000
Tie Down Fees	\$ 371,604	\$ 396,000	\$ 396,000
T-Hangar Management Fees	\$ 151,594	\$ 160,000	\$ 160,000
Other Fuel Tax Fees	\$ 106,136	\$ 96,000	\$ 96,000
Total Aviation Fees	\$ 3,398,136	\$ 3,317,000	\$ 3,317,000
Commercial Activity Fees			
Aircraft Fees	\$ 42,498	\$ 44,227	\$ 47,327
Activity Fees	\$ 17,313	\$ 16,000	\$ 16,000
Additional Compensation	\$ 309,734	\$ 300,200	\$ 300,600
Application Fees	\$ 2,700	\$ 1,000	\$ 1,200
Total Commercial Activity Fees	\$ 372,245	\$ 361,427	\$ 365,127
Other Sources of Revenue			
Car Rental Concession Fees	\$ 106,248	\$ 90,000	\$ 90,000
Security Gate Cards	\$ 16,837	\$ 17,000	\$ 17,000
Vending Machine Concession Fees	\$ 531	\$ 1,111	\$ 700
Directory Sign Fees	\$ 4,439	\$ 4,318	\$ 4,286
Restaurant Concession Fees	\$ 191,468	\$ 187,000	\$ 187,000
Construction Fees	\$ 157,544	\$	\$ 450,000
Customs Fees	\$ 297,082	\$ 325,000	\$ 325,000
Other	\$ 339,950	\$ 251,145	\$ 258,812
Total Other Sources of Revenue	\$ 1,114,099	\$ 875,574	\$ 1,332,798
Total Operating Revenue	\$ 7,188,163	\$ 6,857,525	\$ 7,647,463

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY-2020
BUDGET

REVENUE			
	2018 Actual	2019 Estimate	2020 Proposed
Other Revenue:			
Note Receivable Parcel 50 Ramp	\$ -	\$ 1,165	\$ 7,238
CACNR Revenue	\$ -	\$ 22,250	\$ 22,250
Interest			
Note Receivable Interest	\$ -	\$ 949	\$ 5,445
Investment Interest	\$ 78,239	\$ 160,000	\$ 185,000
Interest Other	\$ -	\$ 71	\$ -
Interest non-regulated leases			\$ 162,835
Total Interest	\$ 78,239	\$ 161,020	\$ 353,280
Total Other Revenue	\$ 78,239	\$ 184,435	\$ 382,768
TOTAL ALL REVENUE	\$ 7,266,402	\$ 7,041,960	\$ 8,030,231

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY-2020
BUDGET

EXPENSE

	2018 Actual	2019 Estimate	2020 Proposed
Operating Expenses:			
Personnel Service			
Salaries	\$ 1,916,749	\$ 2,040,050	\$ 2,219,315
Temporary Personnel	\$ -	\$ -	\$ 15,000
Employee's Insurance	\$ 208,994	\$ 244,266	\$ 283,500
Workers' Compensation Insurance	\$ 53,774	\$ 47,050	\$ 55,483
FICA Taxes	\$ 137,878	\$ 156,064	\$ 169,778
Pension-Authority's Share	\$ 111,512	\$ 128,523	\$ 155,352
Pension Plan Administration Fee	\$ 4,925	\$ 7,200	\$ 8,000
Deferred Comp Plan	\$ 60,000	\$ 60,000	\$ 60,000
Unemployment Compensation	\$ 597	\$ -	\$ -
Recruiting Expense	\$ 21,964	\$ 6,000	\$ 6,000
Total Personnel Service	\$ 2,516,393	\$ 2,689,153	\$ 2,972,428
Supplies, Services, & Maintenance			
Office Supplies	\$ 15,774	\$ 28,652	\$ 61,672
Postage	\$ 2,976	\$ 3,166	\$ 4,000
Advertising	\$ 425	\$ 450	\$ 600
Public Relations/Business Development	\$ 84,647	\$ 99,700	\$ 100,700
Dues & Publications	\$ 45,282	\$ 48,000	\$ 48,500
Printing & Copying	\$ 4,253	\$ 5,000	\$ 10,000
Copier, FAX & Postage Machine Leases	\$ 7,791	\$ 8,091	\$ 8,309
Insurance	\$ 117,080	\$ 146,675	\$ 165,300
Financial	\$ 43,000	\$ 36,750	\$ 55,300
Legal	\$ 36,606	\$ 65,000	\$ 100,000
Transportation, Meetings, & Seminars	\$ 114,889	\$ 148,600	\$ 165,800
Engineering & Surveying	\$ 29,429	\$ 50,000	\$ 60,000
Noise	\$ 35,520	\$ 41,200	\$ 169,500
Gas & Electricity	\$ 90,704	\$ 118,700	\$ 125,700
Telephone	\$ 67,733	\$ 78,000	\$ 103,000
Water & Sewer	\$ 226,740	\$ 233,633	\$ 243,736
Operating/Maintenance Supplies	\$ 21,894	\$ 39,900	\$ 46,900
Gasoline & Oil	\$ 42,968	\$ 60,000	\$ 60,000
Laundry	\$ 8,911	\$ 8,800	\$ 9,000
Small Tools & Minor Equipment	\$ 11,478	\$ 23,500	\$ 23,500
Customs Expense	\$ 307,448	\$ 315,000	\$ 320,000
R&M - Equipment	\$ 111,257	\$ 171,550	\$ 232,500
R&M - Buildings & Improvements	\$ 241,164	\$ 372,446	\$ 381,000
Equipment Rental	\$ 6,992	\$ 9,000	\$ 10,000
Miscellaneous	\$ 16,578	\$ 16,450	\$ 37,850
Total Supplies, Services, Maintenance	\$ 1,691,539	\$ 2,128,263	\$ 2,542,867
Non-Cash Operating Expense			
Depreciation	\$ 5,069,584	\$ 5,500,000	\$ 5,500,000
Total Non-Cash Operating Expense	\$ 5,069,584	\$ 5,500,000	\$ 5,500,000
Total Operating Expenses	\$ 9,277,516	\$ 10,317,416	\$ 11,015,295

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY-2020
BUDGET

EXPENSE

	2018 Actual	2019 Estimate	2020 Proposed
Other Expenses			
Loan Payment	\$ -	\$ 714,070	\$ 731,922
Studies requested by the Authority Board	\$ -	\$ -	\$ 5,000
Consulting	\$ -	\$ 10,000	\$ 20,000
GA Security	\$ 3,662	\$ 5,000	\$ 5,000
Board Education	\$ -	\$ 2,000	\$ 5,000
Interest Expense	\$ 117,260	\$ 189,586	\$ 171,474
Legislative Expense	\$ -	\$ 7,000	\$ 7,000
CACNR Expense	\$ -	\$ 8,341	\$ 36,159
Non-Cash Expense			
Unrealized loss on Investment	\$ -	\$ -	\$ -
Loss on the Sale of Assets	\$ -	\$ 1,802,429	\$ -
Total Other Expenses	\$ 120,922	\$ 2,738,426	\$ 981,555
Total Exp. Including Non-Cash Exp.	\$ 9,398,438	\$ 13,055,842	\$ 11,996,850
Less: Non-Cash Expense	\$ 5,069,584	\$ 7,302,429	\$ 5,500,000
TOTAL ALL EXPENSES	\$ 4,328,854	\$ 5,753,413	\$ 6,496,850

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY-2020
BUDGET

	<u>2019 Estimate</u>	<u>2020 Proposed</u>
Capital Expenditures		
Grant Projects		
2019 Projects (Per Schedule A)	\$ 610,284	
2020 Projects (Per Schedule B)		\$ 7,072,916
	<u>\$ 610,284</u>	<u>\$ 7,072,916</u>
Total Grant Projects	\$ 610,284	\$ 7,072,916
Less Grant Reimbursement	\$ 284,074	\$ 6,661,250
	<u>\$ 326,210</u>	<u>\$ 411,666</u>
TOTAL	\$ 326,210	\$ 411,666
 Non-Grant Projects		
2019 Expenditures (Per Schedule C)	\$ 1,548,947	
2020 Expenditures (Per Schedule D)		\$ 2,788,000
	<u>\$ 1,548,947</u>	<u>\$ 2,788,000</u>
TOTAL	\$ 1,548,947	\$ 2,788,000
 Total Capital Expenditures Net of Grant Reimbursement	<u>\$ 1,875,157</u>	<u>\$ 3,199,666</u>

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY-2020
BUDGET

Schedule A - Grants - 2019

AIP 51		
Update Master Plan / Airport Geographical Information System	\$	296,525
AIP 52		
Rehabilitation Taxiway N	\$	241,935
AIP 53		
Rehabilitation Runway 17R/35L & Taxiway B Electrical	\$	58,065
State Grant - Update Master Plan / GIS Match	\$	13,759
TOTAL	\$	610,284

Schedule B - Grants - 2020

AIP 51		
Update Master Plan / Airport Geographical Information System	\$	166,666
AIP 52		
Rehabilitation Taxiway N	\$	4,758,065
AIP 53		
Rehabilitation Runway 17R/35L & Taxiway B Electrical	\$	1,141,935
AIP 54		
Wildlife Fence	\$	750,000
State Grant - Update Master Plan / GIS Match	\$	6,250
State Grant Taxiway N, Rwy 17R/35L, & Taxiway B Electrical Match	\$	250,000
TOTAL	\$	7,072,916

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY-2020
BUDGET

Schedule C - Non-Grant Projects - 2019

Building Design & Engineering	\$ 872,198
Security Gates and Cameras	\$ 180,000
Seal Coat & Stripe Runway 17R/35L & Taxiway B	\$ 177,614
Airfield Striping & Rubber Removal	\$ 168,250
Computers and Servers	\$ 70,000
Crack Seal Machine	\$ 60,000
Office Equipment	\$ 7,000
Furniture and Fixtures	\$ 6,057
Audio Visual Equipment	\$ 3,600
Mailbox Replacement / Expansion	\$ 2,500
Reconstruct East Control Tower Road Design	\$ 1,728
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	\$ 1,548,947
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Schedule D - Non-Grant Projects - 2020

Furniture and Fixtures	\$ 700,000
Building Design & Engineering	\$ 350,000
Audio Visual Equipment	\$ 300,000
Security Gates and Cameras	\$ 180,000
Parking Lot Improvements	\$ 175,000
Reconstruct East Control Tower Road	\$ 150,000
Airfield Striping & Rubber Removal	\$ 150,000
Computers and Servers	\$ 145,000
Design SRE Maintenance Building Improvement	\$ 120,000
Building Security	\$ 110,000
Gate One Concrete Replacement	\$ 80,000
Tower Cab Remodel	\$ 60,000
ARFF Foam Testing Equipment	\$ 52,000
Taxilane Sealcoat	\$ 50,000
Landscaping	\$ 50,000
Grounds Maintenance Equipment Storage	\$ 50,000
Mailbox Replacement / Expansion	\$ 30,500
Relocation Costs	\$ 20,000
Office Equipment	\$ 8,000
Trade Show Display	\$ 6,000
Peristaltic Pump	\$ 1,500
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	\$ 2,788,000
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**RESOLUTION TO ADOPT BUDGET
No. 2019-08**

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 2020 AND ENDING ON THE LAST DAY OF DECEMBER 2020.

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 10, 2019 for its consideration at the December 12, 2019 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 12, 2019 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)	\$ 6,496,850
Aviation Community & Administrative Facility	\$ 8,350,000
Grant Funded Projects	\$ 7,072,916
Other Capital Expenditures	\$ 2,788,000

Section two. THAT ESTIMATED REVENUES ARE AS FOLLOWS:

Revenue and Beginning Funds Available	\$ 23,229,041
Grant Reimbursements	\$ 6,661,250

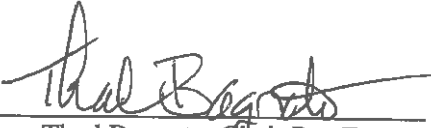
Section three. That the budget as submitted, amended and hereinabove summarized, hereby is approved and adopted as the budget of the Arapahoe County Public Airport Authority for the year stated above.

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 12th day of December 2019.

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY




Thad Bagnato, Chair Pro-Tem

ATTEST:


Jeff Baker, Clerk

APPROPRIATION RESOLUTION
No. 2019-09

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 \$24,707,766 be appropriated for the Arapahoe County Public Airport Authority for the fiscal year 2020.

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.

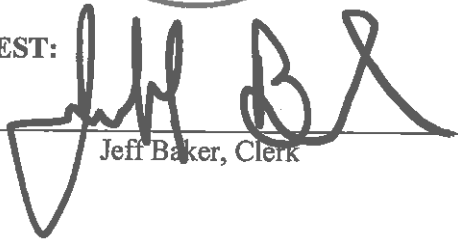
DATED this 12th day of December 2019.



ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY

By 
Thad Bagnato, Chair Pro-tem

ATTEST:

By 
Jeff Baker, Clerk