



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 13, 2018
Subject: Proposed Annual Budget for the Fiscal Year 2019

Enclosed are the operating and capital budgets proposed for 2019, the 2018 estimates, and the actual results of operations for 2017.

1. Operating revenues are based on current contracts, agreements, and anticipated miscellaneous revenue sources. Revenues are projected to increase in 2019 by \$185,780 or 2.66%. This increase in revenue is primarily due to an increase in construction fees. Land rent, option fees, and building rent are projected to increase slightly. Aviation Fuel fees and Colorado fuel tax revenue is budgeted to increase slightly. Tie down and T-hangar fees and Commercial Activity Fees are expected to stay the same.
2. Other funds anticipated in 2019 include Federal Aviation Administration (FAA) reimbursements for \$1,095,000 in Airport Improvement Program (AIP) grants. This represents approximately a 75% reimbursement of the project cost for the AIP projects. Funds are also anticipated from state grants for \$25,000. This represents a reimbursement of a portion of the grant match for an FAA AIP grant for a master plan update.
3. Expenses (net of depreciation and amortization) reflect an increase of \$1,335,876 or 28.33% in 2019. This increase is primarily due to an increase in payment for debt service for a loan from the State Infrastructure Bank. It is anticipated that this loan will be used for the construction of an Aviation Community & Administrative Facility in 2019. Increases in personnel service and supplies, services, and maintenance also contribute to the overall increase in expense.
4. The 2018 budget estimate anticipates the sale of an asset for \$306,000 and the 2019 proposed budget anticipates the sale of an asset for \$2,500,000.
5. Capital expenditures of \$1,516,200 under the Federal Aviation Administration Airport Improvement Program and the State Grant Program are projected for 2019. The grants are expected to finance a master plan and airport geographical information system update and airport improvements.

Non-Grant capital expenditures for 2019 of \$2,648,000 are projected for furniture and fixtures, engineering, airfield improvements, security cameras & access control upgrades, road improvements, parking lot improvements, computer, audio visual, & software upgrades, building security systems, landscaping, maintenance building improvement design, maintenance equipment, mailboxes, a trade show display, and office equipment.

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

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY-2019
BUDGET

STATEMENT OF REVENUE, EXPENSES AND AVAILABLE FUNDS

	2017 Actual	2018 Estimate	2019 Proposed
Audited Funds Available (Beginning)	\$ 2,929,393	\$ 3,954,006	\$ 12,779,286
Revenue	\$ 7,266,239	\$ 6,972,266	\$ 7,158,046
Sale of Asset #1	\$ -	\$ 306,000	\$ -
Sale of Asset #2	\$ -	\$ -	\$ 2,500,000
Loan	\$ -	\$ 8,000,000	\$ -
Grant Reimbursement	\$ 5,918,936	\$ 491,935	\$ 1,120,000
Total Revenue and Funds Available	\$ 16,114,568	\$ 19,724,207	\$ 23,557,332
Expense (Net of Depreciation)	\$ 4,679,873	\$ 4,714,675	\$ 6,050,551
Aviation Community & Administrative Facility	\$ -	\$ -	\$ 10,448,135
Grant-Funded Projects	\$ 6,236,240	\$ 546,264	\$ 1,516,200
Other Capital Expenditures	\$ 1,244,449	\$ 1,683,982	\$ 2,648,000
Total Expenditures	\$ 12,160,562	\$ 6,944,921	\$ 20,662,886
NET FUNDS AVAILABLE (Ending)	\$ 3,954,006	\$ 12,779,286	\$ 2,894,446

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY-2019
BUDGET

REVENUE

	2017 Actual	2018 Estimate	2019 Proposed
Operating Revenue:			
Land Rent & Option Fees			
Air Methods	\$ 211,787	\$ 217,830	\$ 224,061
TAC Air	\$ 82,437	\$ 83,269	\$ 83,937
APA Centre	\$ 66,029	\$ 68,011	\$ 70,051
Arapahoe County Road & Bridge	\$ 319,122	\$ 324,593	\$ 330,063
Arapahoe AP Joint Venture #1	\$ 52,707	\$ 53,478	\$ 54,249
Denver jetCenter	\$ 511,425	\$ 511,425	\$ 511,425
South Suburban	\$ 118,325	\$ 121,875	\$ 125,532
Hotel	\$ 81,219	\$ 83,656	\$ 86,165
Sunborne	\$ 228,473	\$ 228,473	\$ 228,473
Willowbrook Association	\$ 70,878	\$ 73,037	\$ 75,195
Other	\$ 348,492	\$ 349,735	\$ 355,447
Total Land Rent & Option Fees	<u>\$ 2,090,894</u>	<u>\$ 2,115,382</u>	<u>\$ 2,144,598</u>
Building Rent			
Denver jetCenter	\$ 65,643	\$ 65,643	\$ 76,801
FAA Tower/Office	\$ 146,725	\$ 90,216	\$ 90,216
Total Building Rent	<u>\$ 212,368</u>	<u>\$ 155,859</u>	<u>\$ 167,017</u>
Aviation Fees			
Aviation Fuel Fees from FBOs	\$ 2,005,015	\$ 1,360,000	\$ 1,385,000
Colorado Fuel Tax	\$ 1,171,150	\$ 1,253,000	\$ 1,280,000
Tie Down Fees	\$ 366,083	\$ 396,000	\$ 396,000
T-Hangar Management Fees	\$ 128,416	\$ 149,000	\$ 149,000
Other Fuel Tax Fees	\$ -	\$ 109,244	\$ 87,400
Total Aviation Fees	<u>\$ 3,670,664</u>	<u>\$ 3,267,244</u>	<u>\$ 3,297,400</u>
Commercial Activity Fees			
Aircraft Fees	\$ 40,127	\$ 43,127	\$ 44,227
Activity Fees	\$ 15,750	\$ 17,125	\$ 16,500
Additional Compensation	\$ 299,198	\$ 297,000	\$ 300,200
Application Fees	\$ 900	\$ 1,300	\$ 1,200
Total Commercial Activity Fees	<u>\$ 355,975</u>	<u>\$ 358,552</u>	<u>\$ 362,127</u>
Other Sources of Revenue			
Car Rental Concession Fees	\$ 116,548	\$ 83,000	\$ 83,000
Security Gate Cards	\$ 16,303	\$ 17,000	\$ 17,000
Vending Machine Concession Fees	\$ 978	\$ 400	\$ 400
Directory Sign Fees	\$ 4,571	\$ 4,439	\$ 4,169
Restaurant Concession Fees	\$ 193,498	\$ 187,000	\$ 187,000
Construction Fees	\$ -	\$ 90,000	\$ 240,000
Customs Fees	\$ 277,497	\$ 310,000	\$ 315,000
Other	\$ 303,328	\$ 316,687	\$ 248,135
Total Other Sources of Revenue	<u>\$ 912,723</u>	<u>\$ 1,008,526</u>	<u>\$ 1,094,704</u>
Total Operating Revenue	<u>\$ 7,242,624</u>	<u>\$ 6,905,563</u>	<u>\$ 7,065,846</u>

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY-2019
BUDGET

REVENUE

	2017 Actual	2018 Estimate	2019 Proposed
Other Revenue:			
CACNR Revenue	\$ -	\$ -	\$ 22,500
Interest			
Investment Interest	\$ 23,563	\$ 66,703	\$ 69,700
Interest Other	\$ 52	\$ -	\$ -
Total Interest	\$ 23,615	\$ 66,703	\$ 92,200
Total Other Revenue	\$ 23,615	\$ 66,703	\$ 92,200
TOTAL ALL REVENUE	\$ 7,266,239	\$ 6,972,266	\$ 7,158,046

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY-2019
BUDGET

EXPENSE

	2017 Actual	2018 Estimate	2019 Proposed
Operating Expenses:			
Personnel Service			
Salaries	\$ 1,849,078	\$ 1,860,800	\$ 2,105,991
Temporary Personnel	\$ -	\$ -	\$ -
Employee's Insurance	\$ 206,669	\$ 211,277	\$ 245,000
Workers' Compensation Insurance	\$ 41,310	\$ 59,828	\$ 63,180
FICA Taxes	\$ 134,197	\$ 142,351	\$ 161,108
Pension-Authority's Share	\$ 109,886	\$ 130,256	\$ 132,677
Pension Plan Administration Fee	\$ 3,300	\$ 7,200	\$ 8,000
Deferred Comp Plan	\$ 60,000	\$ 60,000	\$ 60,000
Unemployment Compensation	\$ -	\$ -	\$ -
Recruiting Expense	\$ 3,627	\$ 21,000	\$ 6,000
Total Personnel Service	<u>\$ 2,408,067</u>	<u>\$ 2,492,712</u>	<u>\$ 2,781,956</u>
Supplies, Services, & Maintenance			
Office Supplies	\$ 18,800	\$ 23,675	\$ 39,500
Postage	\$ 884	\$ 3,050	\$ 4,000
Advertising	\$ 506	\$ 500	\$ 600
Public Relations/Business Development	\$ 60,456	\$ 90,540	\$ 105,700
Dues & Publications	\$ 39,240	\$ 48,000	\$ 48,000
Printing & Copying	\$ 4,934	\$ 5,200	\$ 10,000
Copier, FAX & Postage Machine Leases	\$ 8,425	\$ 8,095	\$ 8,095
Insurance	\$ 115,956	\$ 135,810	\$ 146,675
Financial	\$ 45,900	\$ 43,000	\$ 45,150
Legal	\$ 30,767	\$ 64,670	\$ 100,000
Transportation, Meetings, & Seminars	\$ 99,922	\$ 136,400	\$ 158,200
Engineering & Surveying	\$ 11,223	\$ 50,000	\$ 60,000
Noise	\$ 35,055	\$ 43,000	\$ 75,500
Gas & Electricity	\$ 91,774	\$ 111,100	\$ 118,700
Telephone	\$ 65,477	\$ 77,000	\$ 90,000
Water & Sewer	\$ 221,805	\$ 228,082	\$ 234,019
Operating/Maintenance Supplies	\$ 28,898	\$ 38,150	\$ 41,900
Gasoline & Oil	\$ 35,620	\$ 60,000	\$ 60,000
Laundry	\$ 9,165	\$ 7,500	\$ 7,500
Small Tools & Minor Equipment	\$ 14,702	\$ 23,500	\$ 23,500
Customs Expense	\$ 331,882	\$ 310,000	\$ 315,000
R&M - Equipment	\$ 117,684	\$ 174,550	\$ 196,550
R&M - Buildings & Improvements	\$ 201,283	\$ 358,000	\$ 377,000
Equipment Rental	\$ 8,876	\$ 8,000	\$ 9,500
Miscellaneous	\$ 22,222	\$ 25,474	\$ 25,350
Total Supplies, Services, Maintenance	<u>\$ 1,621,456</u>	<u>\$ 2,073,296</u>	<u>\$ 2,300,439</u>
Non-Cash Operating Expense			
Depreciation	\$ 4,978,764	\$ 5,500,000	\$ 5,500,000
Total Non-Cash Operating Expense	<u>\$ 4,978,764</u>	<u>\$ 5,500,000</u>	<u>\$ 5,500,000</u>
Total Operating Expenses	<u>\$ 9,008,287</u>	<u>\$ 10,066,008</u>	<u>\$ 10,582,395</u>

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY-2019
BUDGET

EXPENSE

	2017 Actual	2018 Estimate	2019 Proposed
Other Expenses			
Loan Payment	\$ 614,607	\$ -	\$ -
Loan Payment	\$ -	\$ -	\$ 714,070
Studies requested by the Authority Board	\$ 1,500	\$ -	\$ 5,000
Centennial Airport Foundation	\$ -	\$ -	\$ -
Consulting	\$ 12,980	\$ 20,000	\$ 20,000
GA Security	\$ 770	\$ 5,000	\$ 5,000
Board Education	\$ -	\$ -	\$ 5,000
Interest Expense	\$ 13,993	\$ 116,667	\$ 189,586
Legislative Expense	\$ 6,500	\$ 7,000	\$ 7,000
CACNR Expense	\$ -	\$ -	\$ 22,500
Non-Cash Expense			
Unrealized loss on Investment	\$ -	\$ -	\$ -
Total Other Expenses	\$ 650,350	\$ 148,667	\$ 968,156
Total Exp. Including Non-Cash Exp.	\$ 9,658,637	\$ 10,214,675	\$ 11,550,551
Less: Non-Cash Expense	\$ 4,978,764	\$ 5,500,000	\$ 5,500,000
TOTAL ALL EXPENSES	\$ 4,679,873	\$ 4,714,675	\$ 6,050,551

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY-2019
BUDGET

	2018 Estimate	2019 Proposed
Capital Expenditures		
Grant Projects		
2018 Projects (Per Schedule A)	\$ 546,264	
2019 Projects (Per Schedule B)		\$ 1,516,200
Total Grants	\$ 546,264	\$ 1,516,200
Less Grants Reimbursement	\$ 491,935	\$ 1,120,000
TOTAL	\$ 54,329	\$ 396,200
Non-Grant Projects		
2018 Expenditures (Per Schedule C)	\$ 1,683,982	
2019 Expenditures (Per Schedule D)		\$ 2,648,000
TOTAL	\$ 1,683,982	\$ 2,648,000
Total Capital Expenditures Net of Grant Reimbursement	\$ 1,738,311	\$ 3,044,200

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY-2019
BUDGET

Schedule A - Grants - 2018

AIP 50		
Rehabilitate Runway 17L/35R	\$	345,289
AIP 51		
Update Master Plan / Airport Geographical Information System	\$	199,800
State Grant - Runway 17L/35R Match	\$	<u>1,175</u>
TOTAL	\$	<u><u>546,264</u></u>

Schedule B - Grants - 2019

AIP 51		
Update Master Plan / Airport Geographical Information System	\$	441,200
AIP 52		
Wildlife Fence	\$	750,000
AIP 53		
Rehabilitation & Lighting Runway 17R/35L & Taxiway B Design	\$	300,000
State Grant - Update Master Plan / GIS Match	\$	<u>25,000</u>
TOTAL	\$	<u><u>1,516,200</u></u>

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY-2019
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Schedule C - Non-Grant Projects - 2018

Building Design & Engineering	\$	1,000,000
Streetside Asphalt	\$	159,398
Airfield Striping & Rubber Removal	\$	153,000
Security Gates and Cameras	\$	125,000
Computers and Servers	\$	100,000
Rehabilitate Access Road	\$	48,684
Taxilane Seal Coat	\$	36,000
Replace Maintenance Facility Shop Doors	\$	35,357
Rooftop HVAC Replacement	\$	12,000
Loader Jib Crane Attachment	\$	6,451
Lighted Windssock Tower	\$	2,681
Wheel Lift for Tire Balancer	\$	2,170
Aircraft Recovery Equipment	\$	1,850
FAA Carpet Replacement - Tower	\$	1,249
Storm Water Improvements	\$	142
	<u>\$</u>	<u>1,683,982</u>

Schedule D - Non-Grant Projects - 2019

Furniture and Fixtures	\$	700,000
Engineering	\$	500,000
Audio Visual Equipment	\$	300,000
Security Gates and Cameras	\$	180,000
Parking Lot Improvements	\$	150,000
Reconstruct East Control Road	\$	150,000
Airfield Striping & Rubber Removal	\$	150,000
Computers and Servers	\$	140,000
Building Security	\$	110,000
Crack Seal Machine	\$	60,000
Taxilane Sealcoat	\$	50,000
Landscaping	\$	50,000
Design SRE Maintenance Building Improvement	\$	42,000
Grounds Maintenance Equipment Storage	\$	37,000
Mailbox Replacement / Expansion	\$	16,000
Office Equipment	\$	7,000
Trade Show Display	\$	6,000
	<u>\$</u>	<u>2,648,000</u>

**RESOLUTION TO ADOPT BUDGET
No. 2018-08**

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 2019 AND ENDING ON THE LAST DAY OF DECEMBER 2019.

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 11, 2018 for its consideration at the December 13, 2018 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 13, 2018 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)	\$ 6,050,551
Aviation Community & Administrative Facility	\$ 10,448,135
Grant Funded Projects	\$ 1,516,200
Other Capital Expenditures	\$ 2,648,000

Section two. THAT ESTIMATED REVENUES ARE AS FOLLOWS:

Revenue and Beginning Funds Available	\$ 19,937,332
Sale of Asset	\$ 2,500,000
Grant Reimbursements	\$ 1,120,000

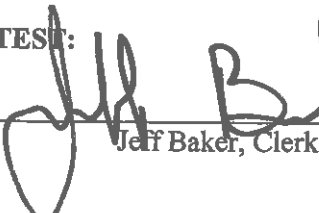
Section three. That the budget as submitted, amended and hereinabove summarized, hereby is approved and adopted as the budget of the Arapahoe County Public Airport Authority for the year stated above.

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 13th day of December 2018.

ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY

ATTEST:



Jeff Baker, Clerk





Robert Doubek, Chair

APPROPRIATION RESOLUTION
No. 2018-09

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 \$20,662,886 be appropriated for the Arapahoe County Public Airport Authority for the fiscal year 2019.

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 13th day of December 2018.



ARAPAHOE COUNTY PUBLIC AIRPORT AUTHORITY

By Robert J. Doubek
Robert Doubek, Chair

ATTEST:

By Jeff Baker
Jeff Baker, Clerk