



GRAND JUNCTION  
REGIONAL AIRPORT  
AUTHORITY

2018  
Budget  
Draft

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DRAFT



## LETTER OF BUDGET TRANSMITTAL

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To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

Date: October 17, 2017

Attached is a copy of the 2018 budget for Grand Junction Regional Airport Authority in Mesa County, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 17, 2017. If there are any questions on the budget, please contact:

Grand Junction Regional Airport Authority  
Attn: Ty Minnick  
2828 Walker Field Drive  
Grand Junction, CO 81506  
970-244-9100

I, Ty Minnick, Finance Manager, hereby certify that the enclosed is a true and accurate copy of the 2018 Adopted Budget.

## BUDGET MESSAGE

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The Grand Junction Regional Airport Authority ("Authority") is pleased to present the 2018 Budget. This budget is balanced, as required by Colorado Revised Statutes 29-1-103, that no budget adopted shall provide for expenditures in excess of available revenues and beginning fund balances.

### BUDGET OVERVIEW

The Authority is governed by seven Commissioners. The Commissioners establish the Authority's plans, policies, procedures, and objectives regarding the services to be delivered and the assets to be maintained or acquired in the upcoming and future fiscal years (collectively "Business Affairs"). The Airport is managed by the Authority's Executive Director, a direct report to the Commissioners. The Executive Director is charged with making recommendations to the Authority's Commissioners with regard to the Business Affairs of the Airport.

The 2018 budget was prepared by the Authority's Finance Manager in collaboration with the Executive Director, airport staff and the Authority's Finance and Audit Committee. The 2018 budget is taking into consideration the 10 year capital plan the Authority has scheduled out. With that, the operating budget remains conservative in order to provide the appropriate cash flow to allocate towards future capital needs.

During 2016 the Authority refunded the 2007 revenue bonds and achieved a cash savings through a lower interest rate. The Authority Board authorized the issuance of \$9,000,000 dollars in additional debt, with \$8,500,000 of this allocated to the airport terminal for:

- Mechanical - HVAC
- Structural foundation and building frame integrity
- Code compliance/life safety
- Roof, electrical and escalators

Along with the terminal projects, 2018 will be continuing runway design and construction on the east apron, taxiway and road realignment and at an estimated cost of approximately \$11,555,000. Additional construction work is planned to add a third tunnel and boarding bridge to utilize the lower boarding area and reduce the congestion in the upper boarding area.

With a long term capital plan to relocate the Airport's main runway maintaining liquidity is of paramount importance. The design for the runway relocation started in 2017 and will continue in 2018. Along with runway design, the Airport is also rehabilitating the commercial apron over the next two years at total estimated cost of \$13,500,000. The airport runway, taxiways and apron remain the top priority both short and long term for the Airport. In order for the Airport to remain flexible to receive discretionary federal funds when they become available the preservation of cash balances is critical.

## MISSION STATEMENT

Grand Junction Regional Airport Authority is committed to facilitating and enhancing regional aviation services.

## VISION STATEMENT

Grand Junction Regional Airport will be:

- Safe, secure, well-maintained, and financially self-sustaining.
- The airport of choice for airline travelers.
- A regional air cargo hub.
- The regional airport of choice for corporate, business and leisure aviation.
- Home to a well-planned, private aircraft operator community.
- A hub for governmental aviation activities.
- A responsible community partner.
- An equal opportunity employer and continue to strive to attract and retain high-caliber professionals committed to serve Grand Junction Regional Airport.

## BUDGET DEVELOPMENT AND STRATEGY

This budget document was prepared after analyzing and evaluating requests from all departments, and represents the requested financial support for the operation of the Airport for the upcoming fiscal year. Revenue estimates are conservative and realistic. The importance of a sound revenue picture cannot be overstated. For 2018, revenue estimates are based on historical trends with greater weight placed on the most current years.

The Authority provides a number of services to the users of the Airport such as airfield operation and maintenance, aircraft rescue & fire fighting, street & grounds maintenance, snow and ice removal, terminal & building operation and maintenance, passenger services and concession management, planning and general administration.

## BUDGET APPROACH

The 2018 budget used a baseline budget process to assist staff to ensure budget accountability and that expenditures remain conservative in relation to expected revenues. Along with the valuable input received from airport staff, the Authority's Finance and Audit Committee participated in a budget work session. The budget work session provided the appropriate platform for a detailed review and in depth discussion of the proposed budget. This approach to the budget process increases transparency, accountability and will provide clarity about what the Airport is trying to accomplish, how much it is going to cost and how successfully those results are being delivered.

The budget development goals based on the projected fiscal status and current priorities were determined and include:

- Use of a conservative approach to any increases in expenditures for 2018 and capture



any available savings to be used for deferred or delayed projects from 2017

- Each fee for services will be examined to ensure fees will recover the costs of services
- Review long and short term strategies to maintain personnel costs
- Ensure proper cash balances to provide appropriate funding for future capital projects

## BUDGET TIMELINE

The following is the budget timeline for the creation and adoption of the budget.

<b>June 2017</b>	2018 budget worksheet distribution to department managers and supervisors
<b>August 2017</b>	Department managers meet with Finance Manager to discuss 2018 proposed budget.
<b>August 15, 2017</b>	Finance Manager is appointed Budget Officer in accordance with C.R.S. 29-1-104
<b>August 23, 2017</b>	Finance and Audit Committee budget work session to present 2018 proposed budget
<b>September 21, 2017</b>	Presentation of 2018 Budget to Board of Commissioners. Deadline to submit budget is October 15, 2017 in accordance with C.R.S. 29-1-105.
<b>September 2017</b>	Notice of Budget to be published upon board's receipt of 2018 proposed budget in accordance with C.R.S. 29-1-106.
<b>October 17, 2017</b>	Board votes on resolution to adopt 2018 budget. Deadline to adopt budget is December 31, 2017 in accordance with C.R.S. 29-1-108.
<b>January 30, 2018</b>	In accordance with C.R.S. 29-1-113, the adopted budget will be filed in the office of the Division of Local Government no later than January 30, 2018.

Please refer to the Budget Amendment for discussion of Colorado Revised Statutes procedures for amending approved budgets. This discussion can be found in the Financial Policies section of this document.

## TOTAL BUDGET

	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
Operating revenue				
Total aeronautical revenue	\$2,603,366	\$2,649,000	\$2,624,001	\$2,645,400
Total non-aeronautical revenue	3,448,599	3,239,700	3,365,187	3,418,751
Total operating revenue	6,051,965	5,888,700	5,989,188	6,064,151
Total operating expense	4,120,889	4,277,959	4,094,781	4,526,906
Operating gain	1,931,077	1,610,741	1,894,407	1,537,245
Total non-operating revenue (expense)	(1,706,280)	(12,811,495)	(1,755,890)	(12,100,792)
<b>Excess of revenue over (under) expense</b>	<b>\$224,796</b>	<b>(\$11,200,754)</b>	<b>\$138,517</b>	<b>(\$10,563,547)</b>

The budget basis of accounting used to develop this budget differs from the GAAP basis in that outlays for acquisition of capital assets and debt principal payments are included as expenditures, and depreciation is not included in expenditures.

## CONCLUSION

In 2018, we will continue to build the framework to better manage both operations and the Authority's capital plans as ultimately adopted by the strategic planning initiative. Conservation of Airport financial resources continues to be a very important objective. The budget is the prime tool in making sure limited resources are wisely utilized. It is the Authority's belief that the 2018 budget allows the Airport to deliver excellent services in a cost effective and efficient manner. The 2018 budget is a product of collective efforts by the Board of Commissioners, Finance and Audit Committee and airport staff. Their commitment, good judgment and expertise are invaluable to the budget process.

Respectfully submitted,

Rick Taggart  
Chairman of the Board

Tom Benton  
Vice Chairman of the Board &  
Finance and Audit Committee Chairman

Mark Achen  
Interim Executive Director

Ty Minnick  
Finance Manager/Budget Officer

## GRAND JUNCTION REGIONAL AIRPORT

### AIRPORT OVERVIEW

#### Airport Authority Governance

Grand Junction Regional Airport, Colorado, Public Airport Authority was created in 1971 under the Public Airport Authority Act of 1965. The Authority is composed of seven appointed members: three from Mesa County, three from the City of Grand Junction and one at-large selection. The term of each Director of the Authority Board is four years; no member may serve more than two consecutive four year terms.

Rick Taggart, Chairman – city council rep	Appointed annually
Tom Benton, Vice Chairman – county appointed	Expires April 2021
Erling Brabaek, Commissioner – city appointed	Expires July 2021
Robin Brown, Commissioner – county appointed	Expires April 2020
Charles McDaniel, Commissioner – At Large	Expires March 2021
Tim Pollard, Commissioner - city appointed	Expires May 2019
Thaddeus Shrader, Commissioner – city appointed	Expires June 2021

The Board of Directors selects and appoints an Executive Director who implements the policies established by the Board, manages the airport, and serves at the pleasure of the Board.

Other individuals are employed by the Authority to assist the Executive Director in managing the operations of the airport and to serve at the pleasure of the Executive Director.

#### Airport Classification and Services

The National Plan of Integrated Airport Systems (NPIAS) classifies Grand Junction Regional Airport as a short-haul primary commercial service airport. These airports provide commercial airline service, mostly to destinations within 500 miles, in addition to general aviation services. The Grand Junction metropolitan area is classified as a non-hub commercial service market, as Grand Junction Regional Airport enplanes less than 0.05% of all commercial airline enplanements in the United States.

The types of businesses include:

Passenger air carriers	Government	Aircraft maintenance
Ground transportation	Retail concessions	Aircraft charters
Cargo air carriers	Aircraft sales and storage	Flight instruction

It is also home to private and corporate aircraft operators, flying clubs, medical/air life, and the Civil Air Patrol.

## AIRPORT FACILITIES

The Airport is located on approximately 2,847 acres of land. The airfield is open 24 hours per day. The terminal building is open from 4:30am until after the last flight arrives in the evening at approximately 11:00pm. The air traffic control tower is open 16 hours per day from 6:00am to 10:00pm.

### Airfield

Grand Junction Regional Airport's two (2) active runways are primary Runway 11/29, capable of handling commercial, military, and general aviation traffic, and crosswind Runway 4/22, designed to accommodate smaller aircraft.

### Runways

The primary runway is Runway 11/29, which measures 10,501 feet long and 150 feet wide with a northwest-southeast orientation. The runway is painted with standard precision runway markings and shoulder markings. Paved blast pads measuring 100 feet long and 250 feet wide extend from both ends of the runway. The surface is constructed of grooved asphalt. The load bearing strength is 110,000 pounds for single wheel gear loading (SWG), 180,000 pounds dual gear wheel loading (DWG), and 260,000 pounds dual-tandem wheel gear loading (DTG). The runway was resurfaced in 2009, and a fog seal coat was applied in 2009.

Crosswind Runway 4/22 measures 5,501 feet long and 75 feet wide in a southwest/northeast orientation. It is painted with standard basic runway markings. The surface is composed of grooved asphalt, which was resurfaced in 1998. The load bearing strength is 20,000 pounds SWG and 30,000 DWG. The runway is designed to facilitate the operations of smaller aircraft during crosswind conditions on Runway 11/29.

### Taxiways and Taxi Lanes

Taxiway 'A' is a full-length parallel taxiway along the south side of primary Runway 11/29. It is 75 feet wide and provides eight (8) exits. An aircraft run-up area is located adjacent to the A-7 exit. Taxiway 'C' is also a full-length parallel taxiway, running along the west side of crosswind Runway 4/22. It measures 35 feet wide and has four (4) exits.

Taxiway 'C1A' is located in the general aviation area of the airport. It is 1,600 feet long and 35 feet wide. An additional 575 x 35 feet of asphalt runs perpendicular to the taxiway to facilitate access to newly-constructed private hangars in that area.

### Lighting Aids

- Airport beacon signaling the location and presence of the airport at night and during low visibility conditions
- Precision Approach Path Indicator (PAPI) visual approach aids for Runways 11 and 4
- Runway end identifier lights (REILs) on Runway 4/22
- High intensity runway edge lighting (HIRL) on Runway 11/29
- Medium intensity runway edge lighting (MIRL) on Runway 4/22
- Medium intensity taxiway lights (MITL) and signage on Taxiway 'A'
- Taxiway reflectors on Taxiway 'C'
- Distance to go signs on Runways 11/29 and 4/22

### Passenger Terminal Building and Apron

The passenger terminal building opened in 1982 and contains over 76,000 square feet of space. Additional boarding area space, along with two (2) aircraft loading bridges, opened in spring 2004. The passenger terminal apron encompasses approximately 13,000 square yards of asphalt and concrete pavement adjacent to the terminal building and provides for aircraft parking, access, and circulation.

### Aircraft Rescue Firefighting (ARFF)

The ARFF Maintenance Building is located adjacent to the base of the air traffic control tower. It was constructed in 2000 and houses the aircraft rescue firefighting and maintenance equipment. A 3,200 square foot addition was completed in 2010.

### Air Traffic Control Tower

Consisting of approximately 10,000 square feet, the tower was originally constructed in 1963 and was most recently renovated in 1996. The tower elevator was modernized in 2013. Limited tower office space and adjacent bays were leased to West Star in 2013.

### Airport Authority Hangars

Constructed in 1957 and most recently renovated in 1998, this hangar is leased to Federal Express and consists of approximately 6,724 square feet. It includes space for offices and sorting operations. In December 2012, a hangar and adjacent offices used by Mesa Airlines for aircraft maintenance reverted to the airport. The 25,600 square foot hangar was constructed in 1970 and the 7,168 square foot adjacent offices constructed in 1980. The hangar is leased to West Star for aircraft maintenance. In 2013, the airport purchased a 4,800 square foot hangar in the C1A area to store equipment. The hangar was built in 1996.

### Rental Car Facilities

The airport currently owns four rental car service facility buildings that are leased to National/Alamo, Avis/Budget, Hertz, and Enterprise Rent a Car. The rental car parking lot was re-constructed during the summer of 2009. The rental car parking lot has parking for 226 vehicles with 146 spaces assigned as rental car ready spaces. The remaining spaces are used for rental car employee parking.

### Parking

Vehicle parking for the passenger terminal building includes public and employee parking. A paved parking lot, immediately southwest of the terminal building, provides 638 standard, 30 handicap, and 12 motorcycle. An adjacent compacted asphalt lot provides approximately 232 spaces for employee parking.

### Access Roadways

The following vehicle roadways are owned and maintained by the Airport Authority:

Walker Field Drive	Navigator's Way	Aviator's Way
Falcon Way	Cl Way	N. Heritage Court
Landing View Lane	Eagle Drive	S. Heritage Court

Many of the roadways were re-built as part of the 2007 Bond Proceeds. Roundabouts were added and several roadways were re-aligned to better serve traffic flow. Construction was completed by fall 2008

with landscaping continuing through 2009.

## AIRPORT DEBT

### 2009 Colorado State Infrastructure Bank Loan

The rental car parking lot was reconstructed during the summer of 2009 and completed August 2009. A \$4,000,000 ten year loan was obtained from the Colorado State Infrastructure Bank (SIB) to finance construction of the rental car parking lot in June 2009. Quarterly payments of \$116,122 started September 1, 2009. The airport board approved a facility use fee of \$3.25 per on-airport rental car per day in 2007 to fund the quarterly principal and interest payments. The facility use fee is currently established at \$4.00.

### 2016 Revenue Bonds

The 2016 Revenue Bonds are comprised of two components, refunding the 2007 Revenue Bonds and additional borrowing of \$9,000,000. The additional project fund will be used to enhance the airport terminal, with the replacement of the HVAC, smoke evacuation system, roof replacement and escalator replacement. The 2016 bonds were underwritten by RBC Capital Markets and insured by National Public Finance Guarantee, the November 3, 2016 Official Statement can be found at:

<http://emma.msrb.org/EP963233-EP747265-EP1148779.pdf>

## AIR SERVICE DEVELOPMENT, PUBLIC RELATIONS, AND MARKETING

The Airport uses public relations and marketing to communicate with customers; a diverse group that includes tenants, airlines, business prospects, and the community. Grand Junction Regional Airport's primary marketing goals are:

1. Air service development: Improving air service, attracting passengers, and retaining existing carriers.
2. Raising awareness in the region. Educate area residents on local airport commercial air service options and educating the public on the benefits of local air service.
3. Promoting a positive view of the airport in the community.

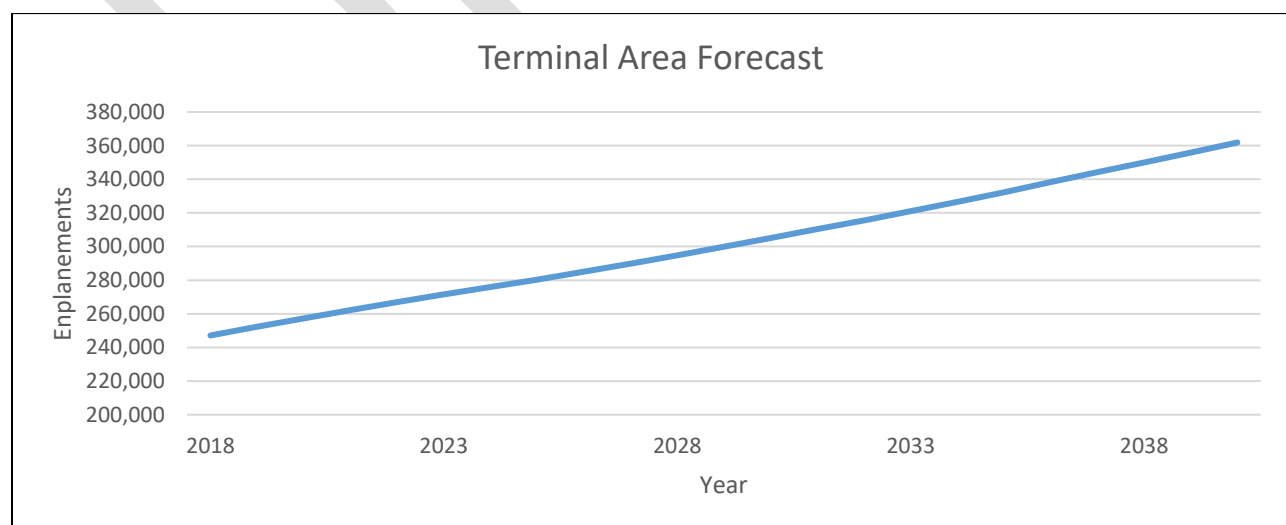
### Aircraft Operations

Aircraft operations are defined as the number of arrivals and departures from the airport at which an airport traffic control tower is located. There are two types of operations: local and itinerant.

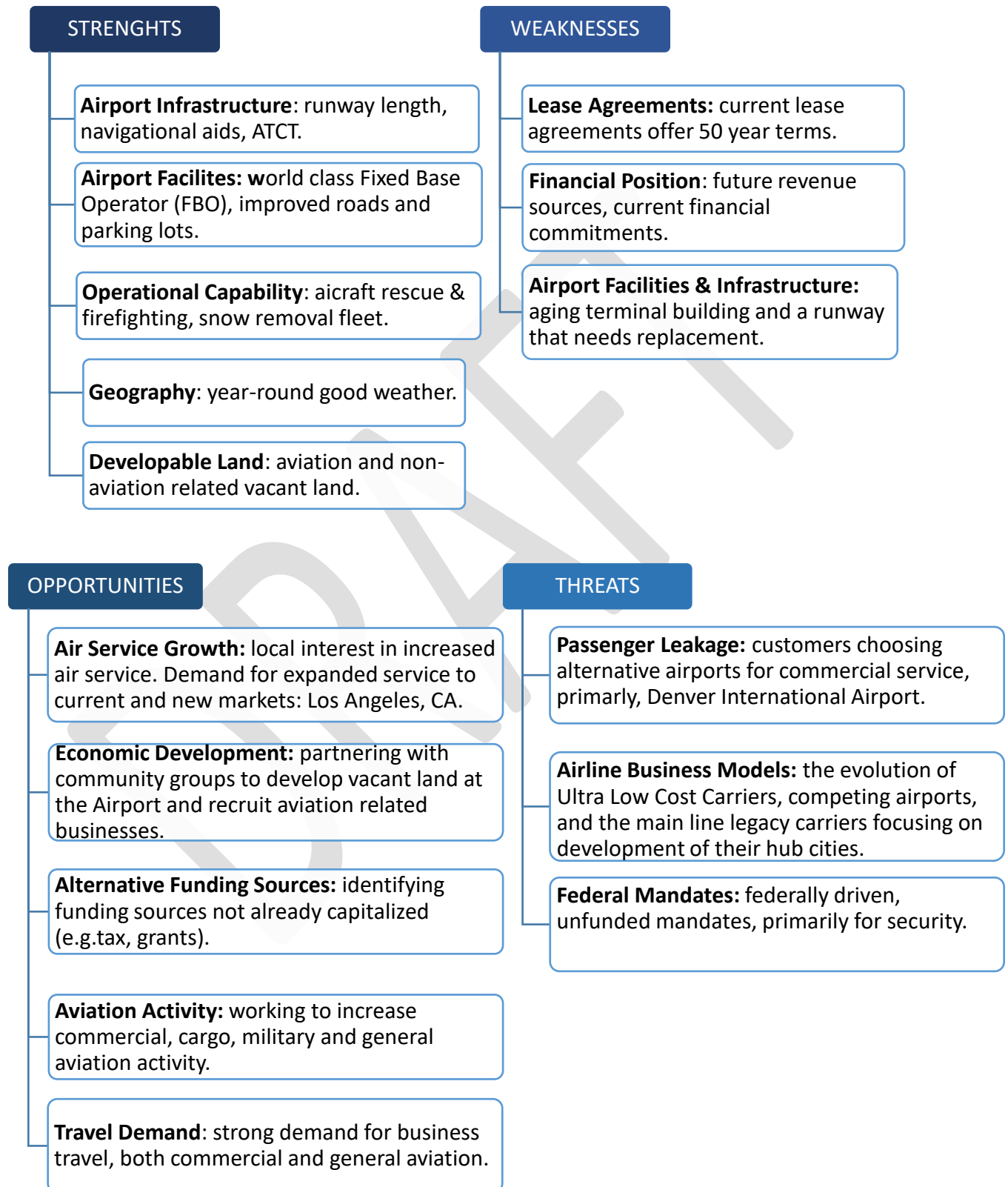
1. Local operations are those operations performed by aircraft that remain in the local traffic pattern, execute simulated instrument approaches or low passes at the airport, and the operations to or from the airport and a designated practice area within a 20-mile radius of the tower.
2. Itinerant operations are operations performed by an aircraft that lands at an airport, arriving from outside the airport area, or departs an airport and leaves the airport area.

The Terminal Area Forecast (TAF) is the official FAA forecast of aviation activity for U.S. airports. It contains active airports in the National Plan of Integrated Airport Systems (NPIAS) including FAA-towered airports, Federal contract-towered airports, nonfederal towered airports, and non-towered airports. Forecasts are prepared for major users of the National Airspace System including air carrier, air taxi/commuter, general aviation, and military. The forecasts are prepared to meet the budget and planning needs of the FAA and provide information for use by state and local authorities, the aviation industry, and the public.

According to the TAF, by 2040 the Grand Junction Airport is projected to have an increase in enplanements to approximately 362,000.



## SWOT Analysis





## LOCATION

### Mesa County

Grand Junction is situated in the Grand Valley on the western slope of the Rocky Mountains in Mesa County, Colorado. Grand Junction Regional Airport and the city of Grand Junction are located between Denver and Salt Lake City, approximately 260 miles from each. The closest airports, which provide regularly scheduled commercial or regional jet service, are Aspen-Pitkin County Airport, Eagle County, and Montrose County Regional Airport. Grand Junction Regional Airport is situated within the boundaries of the city of Grand Junction in the northeast area of the city approximately one mile north of Interstate 70.



## Mesa County Statistics

### People

	Mesa County	Colorado	United States
<b>Population</b>			
Population estimates, July 1, 2016, (V2016)	150,083	5,540,545	323,127,513
Population estimates base, April 1, 2010, (V2014)	146,723	5,029,324	308,758,105
Population, percent change - April 1, 2010 (estimates base) to July 1, 2016, (V2016)	2.3%	10.2%	4.7%
<b>Age</b>			
Persons under 5 years, percent, July 1, 2015, (V2015)	6.4%	6.6%	6.3%
Persons under 5 years, percent, April 1, 2010	6.8%	6.8%	6.5%
Persons under 18 years, percent, July 1, 2015, (V2015)	22.7%	23.8%	23.3%
Persons under 18 years, percent, April 1, 2010	23.5%	24.4%	24.0%
Persons 65 years and over, percent, July 1, 2015, (V2015)	16.3%	12.2%	14.1%
Persons 65 years and over, percent, April 1, 2010	14.9%	10.9%	13.0%
<b>Race and Origin</b>			
White alone, percent, July 1, 2016, (V2016) (a)	89.4%	84.2%	73.6%
Black or African American alone, percent, July 1, 2016, (V2016)	0.6%	4.0%	12.6%
American Indian and Alaska Native alone, percent, July 1, 2016, (V2016)	1.1%	0.9%	0.8%
Asian alone, percent, July 1, 2016, (V2016)	0.8%	2.9%	5.1%
Native Hawaiian and Other Pacific Islander alone, percent, July 1, 2016, (V2016)	0.1%	0.1%	0.2%
Some Other Race July 1, 2016, (V2016)	5.4%	4.3%	4.7%
Two or More Races, percent, July 1, 2016, (V2016)	2.7%	3.5%	3.0%

Source: US Census Bureau

### Industry

#### 2011-2015 American Community Survey 5-Year Estimates

	Mesa County	Colorado	U.S.
Civilian employed population 16 years and over			
Agriculture, forestry, fishing and hunting, and mining	4,869 7.2%	2.6%	2.0%
Construction	5,093 7.5%	7.4%	6.2%
Manufacturing	3,241 4.8%	7.0%	10.4%
Wholesale trade	1,816 2.7%	2.6%	2.7%
Retail trade	8,878 13.1%	11.1%	11.6%
Transportation and warehousing, and utilities	3,754 5.5%	4.5%	5.0%
Information	1,338 2.0%	3.0%	2.1%
Finance and insurance, and real estate and rental and leasing	4,035 5.9%	6.9%	6.6%
Professional, scientific, and management, and administrative and waste management services	6,326 9.3%	13.5%	11.0%
Educational services, and health care and social assistance	15,578 22.9%	20.5%	23.1%
Arts, entertainment, and recreation, and accommodation and food services	6,684 9.8%	10.8%	9.6%
Other services, except public administration	3,648 5.4%	5.1%	4.9%
Public administration	2,696 4.0%	4.9%	4.8%

Source: US Census Bureau

## Occupation

### 2011-2015 American Community Survey 5-Year Estimates

	Mesa County		Colorado	U.S.
Civilian employed population 16 years and over	22,006	32.4%	40.4%	36.7%
Management, business, science, and arts occupations	12,276	18.1%	17.5%	18.1%
Service occupations	16,956	25.0%	23.8%	24.1%
Natural resources, construction, and maintenance occupations	8,638	12.7%	9.4%	8.9%
Production, transportation, and material moving occupations	8,080	11.9%	8.9%	12.2%

Source: US Census Bureau

## Household Income

### 2011-2015 American Community Survey 5-Year Estimates

	Mesa County		Colorado	U.S.
Less than \$10,000	4,720	8.0%	5.9%	7.2%
\$10,000 to \$14,999	3,439	5.8%	4.1%	5.3%
\$15,000 to \$24,999	6,062	10.2%	9.0%	10.6%
\$25,000 to \$34,999	6,668	11.3%	9.3%	10.1%
\$35,000 to \$49,999	9,050	15.3%	13.2%	13.4%
\$50,000 to \$74,999	11,400	19.3%	18.6%	17.8%
\$75,000 to \$99,999	6,890	11.6%	13.2%	12.1%
\$100,000 to \$149,999	6,815	11.5%	14.9%	13.1%
\$150,000 to \$199,999	2,496	4.2%	6.2%	5.1%
\$200,000 or more	1,675	2.8%	5.8%	5.3%

Mean household income (dollars)	65,223	81,635	75,558
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Source: US Census Bureau

## Educational Attainment

### 2011-2015 American Community Survey 5-Year Estimates

	Mesa County		Colorado	U.S.
Population 25 years and over	3,048	3.1%	3.9%	5.7%
Less than 9th grade	6,944	7.0%	5.4%	7.6%
9th to 12th grade, no diploma	28,914	29.1%	21.8%	27.8%
High school graduate	25,474	25.7%	22.5%	21.1%
Some college, no degree	8,773	8.8%	8.3%	8.1%
Associate's degree	17,560	17.7%	24.1%	18.5%
Bachelor's degree	8,504	8.6%	14.0%	11.2%

Source: US Census Bureau

## Labor Force

Time Period	Mesa County			Colorado	U.S.
	Labor Force	Employed	Unemployed		
2011	75,397	67,752	7,645	10.1%	8.9%
2012	74,844	67,748	7,096	9.5%	8.1%
2013	73,731	67,448	6,283	8.5%	7.4%
2014	73,608	69,068	4,540	6.2%	5.0%
2015	72,039	68,042	3,997	5.5%	5.3%
2016	74,434	67,956	6,438	8.7%	8.3%

Source: US Bureau of Labor Statistics & Colorado Department of Labor

## BUDGET AWARD

### DISTINGUISHED BUDGET PRESENTATION AWARD

The Government Finance Officers Association of the United State and Canada (GFOA) presented a Distinguished Budget presentation Award to Grand Junction Regional Airport Authority, Colorado for its annual budget for the fiscal year beginning January 1, 2017. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility of another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

### *Distinguished Budget Presentation Award*

PRESENTED TO

**Grand Junction Regional Airport Authority  
Colorado**

For the Fiscal Year Beginning

**January 1, 2017**

A handwritten signature in black ink, reading "Jeffrey R. Egan".

Executive Director

## OPERATING REVENUE

### AERONAUTICAL REVENUE

	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
Passenger airline revenue				
Passenger airline landing fees	\$506,670	\$486,300	\$511,071	\$519,400
Terminal rent	1,181,844	1,182,000	1,181,999	1,182,000
Other (boarding bridge; deicing)	90,611	100,400	91,659	100,000
<b>Total passenger airline revenue</b>	<b>1,779,125</b>	<b>1,768,700</b>	<b>1,784,729</b>	<b>1,801,400</b>
Non-passenger airline revenue				
Landing fees from cargo	106,434	96,200	123,064	127,700
Cargo and hangar rentals	50,631	50,400	50,400	51,600
Aviation fuel tax	208,930	257,100	208,619	209,700
Fuel flowage fees	454,498	464,600	455,748	453,800
Other (rapid refuel; plane parking)	3,750	12,000	1,440	1,200
<b>Total non-passenger airline revenue</b>	<b>824,242</b>	<b>880,300</b>	<b>839,272</b>	<b>844,000</b>
<b>Total aeronautical revenue</b>	<b>\$2,603,366</b>	<b>\$2,649,000</b>	<b>\$2,624,001</b>	<b>\$2,645,400</b>

#### Budget Commentary

##### *Passenger Airline Landing Fees*

Commercial signatory aircraft over 12,500 pounds landing weight pay a landing fee of \$1.70 per 1,000 pounds. This fee is charged for passenger and cargo aircraft, no landing fee is charged for general aviation or military aircraft. The 2018 Terminal Area Forecast (TAF), the official FAA forecast of aviation activity for U.S. airports that is provided by the FAA to forecast airport operations, has an enplanement increase of approximately 2% for 2018 versus 2017. However, the TAF is projecting a decrease in commercial operations which indicates a decrease in frequency, while the enplanement indicates an increase in capacity. Based on the TAF information landing fees are budgeted to increase by less than 2%. Average landing fees:

- 50 seat aircraft based on average 50,000 pounds is \$85
- 70 seat aircraft based on average 75,000 pounds is \$128
- 150 seat aircraft based on average 140,000 pounds is \$238

##### *Terminal Rent*

The largest aeronautical revenue source in the 2018 budget is terminal rent. Rent revenue is received from the following sources:

1. Airline exclusive space – the airlines that utilize exclusive space are required to pay \$30.30 per square foot. The exclusive space rented by the airlines is ticketing, office and garage areas located on the first floor of the terminal. There are four airline ticket offices with a range of 2,825 to 2,878 square feet. Currently, three of the airline ticket offices have tenants.

2. Airline common space – this space is comprised of three areas:
  - a. Baggage processing – aircraft operators that utilize the baggage processing areas of the terminal building in a particular month shall pay their pro rata share of rent. The pro rata share shall be based on the total number of enplaned revenue passengers during the month. The rate for the baggage processing area is \$27.27 per square foot and this area is currently 5,721 square feet.
  - b. Boarding area – aircraft operators that utilize the boarding area of the terminal building in a particular month shall pay their pro rata share of rent. The pro rata share shall be based on the total number of enplaned revenue passengers during the month. The rate for the boarding area is \$27.27 per square foot and this area is currently 17,721 square feet.
  - c. Ticketing area – aircraft operators that utilize the ticketing area of the terminal building in a particular month shall pay their pro rata share of rent. The pro rata share shall be based on the total number of enplaned revenue passengers during the month. The rate for the ticketing area is \$27.27 per square foot and this area is currently 4,587 square feet.
3. Airline security services – security service is a total of \$200,000 per year. The pro rata share shall be based on the total number of enplaned revenue passengers utilizing the boarding area.

#### *Other (boarding bridge; deicing)*

The Other portion of passenger airline revenue is derived from boarding bridge fees and commercial airline deicing fees. The boarding bridge is charged at \$25 per use, the airlines use is based on availability of the two boarding bridges. In general, if there's an open boarding bridge the airline will use it. The deicing chemical of glycol is disposed of by the Airport and used by the airlines during winter service. The reported usage of the glycol determines the amount charged to the airlines.

#### *Landing Fees from Cargo*

Commercial signatory aircraft (including cargo) over 12,500 pounds landing weight pay a landing fee of \$1.70 per 1,000 pounds. The primary cargo carrier landing at the Airport is Federal Express (Fed Ex), with an average landing schedule of six times per week. Fed Ex is flying a 757 with a maximum landing weight of 198,000 pounds, this generates \$337 per landing.

#### *Cargo and Hangar Rentals*

Fed Ex has a lease with the Airport with a ground lease of 143,221 square feet (charged at \$0.1817 per square foot) and hangar lease with 4,880 square feet (charged at \$0.4341 per square foot).

#### *Aviation Fuel Tax*

Airports eligible to receive benefits from the aviation fuel tax pursuant to CRS 43-10-103(4), CRS 43-10-108.5 and CRS 43-10-110 do so in two different ways: discretionary aviation grants and

airport fuel tax disbursements. Airport tax disbursements are the portion of the tax that is collected at an airport, which is then returned directly to the airport based on the type and quantity of fuel sold. Pursuant to CRS 43-10-110 tax disbursements are the full four cents per gallon jet fuel excise tax, and four cents per gallon of the avgas excise tax. The sales tax on jet fuel is disbursed at a rate of 65% of the total sales tax that was collected.

#### *Fuel Flowage Fees*

The fuel flowage revenue is received from the on airport fuel provider. The Airport receives \$0.1017 for every gallon pumped for Avgas, Jet A and military Jet A. A cost recovery amount of \$0.10 per gallon is included in the fuel flowage fee account based on an Airport Improvement Fuel Flowage Fee Agreement between the Airport and West Star Aviation. The airport receives a fuel flow fee on all aircraft excluding commercial aircraft. The average fuel sold per year over the last five years is approximately 2,100,000 gallons. The budgeted aircraft operations for 2018 is consistent with 2015 – 2017 according to the TAF.

#### *Other (rapid refuel; plane parking)*

The Other portion of non-passenger airline revenue is derived from rapid refuel and airplane ramp parking. Rapid refuel is charged to the military when a refueling is performed with the aircraft engines running. When a rapid refuel is requested the ARFF truck must be near the aircraft in case of emergency, billed at \$120 per hour. Airplane parking is billed at \$60 per month for a designated tie down space.

## NON-AERONAUTICAL REVENUE

	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
Land and building leases	\$565,339	\$568,500	\$569,708	\$591,600
Terminal - restaurant & retail	95,345	82,800	109,049	119,100
Terminal - other	245,613	190,800	255,546	190,800
Rental cars	980,359	958,000	941,033	1,003,151
Parking and ground transportation	1,432,442	1,391,600	1,441,915	1,463,700
Other (badging; advertising; vending)	129,503	48,000	47,936	50,400
<b>Total non-aeronautical revenue</b>	<b>\$3,448,599</b>	<b>\$3,239,700</b>	<b>\$3,365,187</b>	<b>\$3,418,751</b>

### Budget Commentary

#### *Land and Building Leases*

The Airport has approximately 40 land and building leases. These leases vary in square feet and price per square feet. The variance in price is a result of the year the lease was signed and the how much the CPI increase has effected the lease base rate. The 2018 budget reflects an increase in the lease rate with the Bureau of Land Management (BLM). The BLM agreed to make a one-time lump sum payment of \$500,000 for a 20 year lease resulting in \$25,000 per year.

#### *Terminal – Restaurant & Retail*

The Airport entered a concession agreement in May 2016 for food, beverage and retail. The concession fee is variable based on gross revenue. The concession agreement also included an additional location for food and beverage on the passenger secured side of the airport. In 2017 the concessionaire opened a food, beverage and retail location on the unsecured side of the airport. The Minimum Annual Guarantee (MAG) for the concessionaire is \$60,000.

#### *Terminal - Other*

There is office space on the second and third floor of the terminal that is occupied. The second floor is 2,050 square feet and the third floor is 6,384 square feet. There is a budgeted reduction of terminal rent revenue as the lessee will be eliminating approximately 2,140 square feet from their office space needs on the third floor. The rent was increased from \$28.63 to \$30.30 per square foot starting September 2016 for a five year lease.

#### *Rental Cars*

Rental car revenue is comprised of MAG, which is the minimum amount the rental car company must pay the Airport each month. Each rental car company has a different MAG based on the individual contract. The following are the current rental car annual MAG's:

- Avis/Budget.....\$203,310
- National/Alamo.....\$183,592



- Hertz.....\$204,442
- Enterprise.....\$152,300

The MAG is adjusted annually in May to either the year one MAG or 85% of 10% of the previous year's annual gross revenue, whichever is greater.

Rental car exclusive space – rental car operators that utilize exclusive space are required to pay \$30.30 per square foot. The exclusive space rented by the rental car operators is located on the first floor of the terminal. There are four counters and office locations available to the rental car operators, each at 536 square feet.

The rental car parking and fuel service area was built by the Airport and financed by a Colorado State Infrastructure Bank (COSIB) loan. The Airport manages the fuel service area, supplies all of the fuel and charges the rental car companies a maximum mark up of \$1.00 per gallon fee. There are approximately 80,000 gallons used per year with an average mark up of \$0.25 per gallon resulting in net revenue of approximately \$20,000.

#### *Parking and Ground Transportation*

The parking lot is managed by a third party concessionaire. The management agreement has a two-tier system that requires payment to the Airport at the greater of annual MAG of \$350,000 or 80.45% of gross revenues up to \$500,000 plus 91.5% of gross revenues in excess of \$500,000. This agreement expires on March 31, 2021. The parking lot maximum daily rate is \$10 per day.

Ground transportation providers are required to pay the following:

- Taxis, shuttles/vans, etc. – 10% of revenue for dropping off and picking up passengers.
- Buses – 10% of revenue or \$400 annual fee for unlimited service.
- Transportation Network Companies - \$2.50 for dropping off and picking up passengers.

#### *Other*

The Other portion of non-aeronautical revenue is derived from the following:

- Security badge fees – there are three types of badges Security Identification Display Area (SIDA), sterile area and Airport Operations Area (AOA). SIDA and sterile area badge fees range from a \$25 renewal without fingerprint processing and \$85 initial issue with fingerprint processing. AOA does not require fingerprints and badge fees are a \$25 renewal and a \$35 initial issue.
- Advertising – the Airport has a concession agreement effective through October 2018 for advertising in the terminal with a MAG of \$16,500.
- Vending – the Airport has a concession agreement effective through February 2020 to receive 15% of the vendor's gross revenue. This generates approximately \$4,500 annually.

## OPERATING EXPENSE

### OPERATING EXPENSE - TOTAL DEPARTMENTS (SUMMARY)

	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
Personnel compensation and benefits	\$2,031,602	\$2,129,122	\$2,075,122	\$2,260,727
Communications and utilities	289,489	332,666	328,731	344,076
Supplies and materials	221,782	247,331	250,763	254,949
Contract services	982,868	865,567	775,568	902,474
Repairs & maintenance	444,048	424,107	393,710	449,865
Insurance	91,037	93,276	93,942	92,850
Other	60,062	185,890	176,945	221,965
<b>Total operating expense</b>	<b>\$4,120,889</b>	<b>\$4,277,959</b>	<b>\$4,094,781</b>	<b>\$4,526,906</b>

## OPERATING EXPENSE - TOTAL DEPARTMENTS (DETAIL)

	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
Salaries	\$1,374,564	\$1,548,833	\$1,520,509	\$1,625,398
Payroll Taxes	352,053	229,654	225,817	241,934
401(k)	31,192	33,799	31,009	31,821
Health & Wellness	4,380	2,016	2,916	4,297
Health Insurance	211,967	245,088	227,617	287,464
Life Insurance	4,453	5,352	5,075	5,544
Worker Compensation	52,992	64,380	62,179	64,269
<b>Personnel compensation and benefits</b>	<b>2,031,602</b>	<b>2,129,122</b>	<b>2,075,122</b>	<b>2,260,727</b>
Phone Service	28,003	29,558	28,590	31,000
Utilities - Electric	201,219	229,660	227,698	230,980
Utilities - Gas	20,555	34,900	33,989	35,200
Utilities - Sewer	6,757	6,552	6,497	6,876
Utilities - Trash	11,742	12,924	12,907	13,368
Utilities - Water	21,214	19,072	19,049	26,652
<b>Communications and utilities</b>	<b>289,489</b>	<b>332,666</b>	<b>328,731</b>	<b>344,076</b>
Board Meetings	2,353	6,800	2,111	1,800
Firefighting Supplies	390	3,700	3,700	5,333
Fuel & Oil	34,357	45,891	42,735	45,891
Glycol Disposal	10,080	14,000	14,000	15,000
Materials & Supplies	74,873	93,390	88,743	101,710
Office Supplies	9,162	9,725	9,631	1,925
Postage & Shipping	1,889	2,400	1,773	2,400
Airfield Lighting	26,432	12,590	8,338	12,590
Snow Removal	2,650	4,050	17,529	7,550
Tools & Equipment	35,138	33,485	36,392	37,350
Uniforms	23,028	18,200	24,033	20,300
Wildlife Control	1,430	3,100	1,777	3,100
<b>Supplies and materials</b>	<b>221,782</b>	<b>247,331</b>	<b>250,763</b>	<b>254,949</b>
ARFF Physicals	9,390	7,000	3,852	8,000
Copier Service	6,290	6,600	4,930	6,600
Personnel Services	8,388	10,535	45,663	12,795
Professional Services - Audit	31,729	36,000	39,496	41,000
Professional Services - IT	104,965	110,882	110,441	147,299
Professional Services - Legal	377,141	240,000	141,104	156,000
Professional Services - Other	229,542	95,900	124,481	131,860
Professional Services - Eng & Plan	0	25,000	24,938	40,000

Purchased Services	3,058	2,650	6,895	6,970
Marketing	10,820	75,000	46,948	83,100
Air Service Development	52,545	100,000	67,720	100,850
Security Guard	149,000	156,000	159,100	168,000
<b>Contract services</b>	<b>982,868</b>	<b>865,567</b>	<b>775,568</b>	<b>902,474</b>
Boarding Bridge Maintenance	37,620	16,000	13,321	35,500
Elevators & Escalators	28,311	30,832	30,820	31,000
Landscaping	4,072	6,800	6,799	6,900
Pavement Maintenance	37,984	35,100	35,025	64,400
Repairs & Maintenance	281,814	177,455	163,917	206,905
Scheduled Replacements	0	104,000	88,849	59,000
Airfield Building Maintenance	54,248	53,920	54,978	46,160
<b>Repairs &amp; maintenance</b>	<b>444,048</b>	<b>424,107</b>	<b>393,710</b>	<b>449,865</b>
Insurance	91,037	93,276	93,942	92,850
<b>Insurance</b>	<b>91,037</b>	<b>93,276</b>	<b>93,942</b>	<b>92,850</b>
Contingency	0	38,500	34,500	38,500
Education & Training	30,441	70,965	61,177	89,150
Professional Dues	8,068	7,225	19,435	19,015
Travel & Meetings	2,909	23,700	17,742	18,800
Other	18,644	45,500	44,091	56,500
<b>Other</b>	<b>60,062</b>	<b>185,890</b>	<b>176,945</b>	<b>221,965</b>
<b>Total operating expense</b>	<b>\$4,120,889</b>	<b>\$4,277,959</b>	<b>\$4,094,781</b>	<b>\$4,526,906</b>

### Summary

The financial reporting is comprised of nine departments, with a respective manager responsible for the department's stand-alone budget. The following operating departments consist of the following:

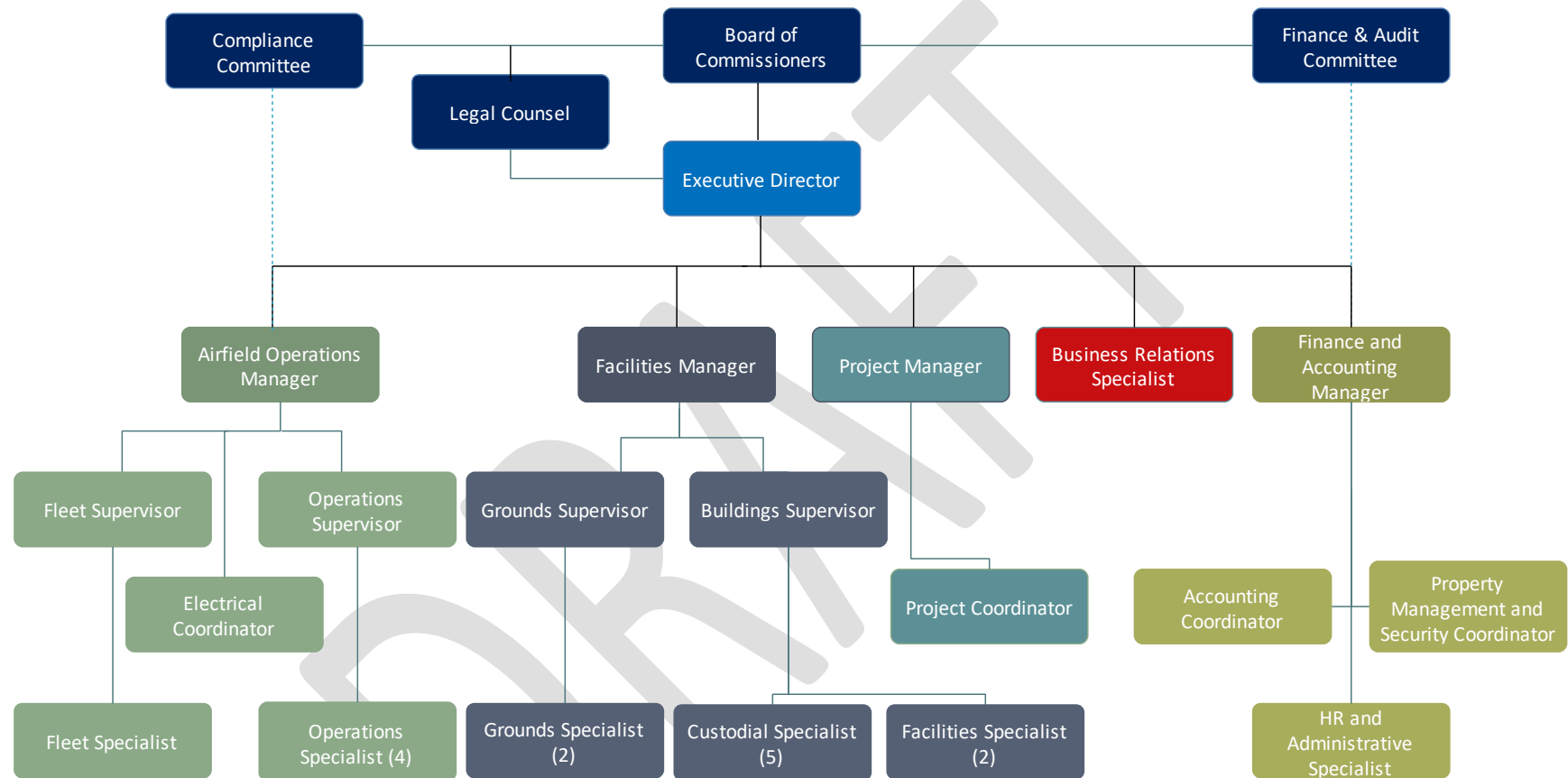
1. Administration – Summary
  - a. General & Administrative – Detail
  - b. Security - Detail
2. Facilities – Summary
  - a. Terminal – Detail
  - b. Grounds & Roadways – Detail
  - c. Rental Car – Detail
  - d. Other Buildings – Detail
3. Airfield – Summary
  - a. Operations – Detail
  - b. ARFF – Detail
  - c. Fleet – Detail

In the subsequent sections, the departments are discussed in detail with goals for the coming year and a review of the expense variances.

Personnel compensation and benefits will be presented as the entire organization rather than at the department level. Therefore, there will not be a variance review in the department detail sections.

DRAFT

## Organizational Chart



Note: Airport Rescue Fire Fighting (ARFF) is comprised of 16 members of the 29 member Authority staff

### Personnel Compensation and Benefits

Personnel expense is the largest operating expense for the Airport. The following table is the total personnel expense for the Airport:

	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
Salaries	\$1,374,564	\$1,548,833	\$1,520,509	\$1,625,398
Payroll Taxes	352,053	229,654	225,817	241,934
401(k)	31,192	33,799	31,009	31,821
Health & Wellness	4,380	2,016	2,916	4,297
Health Insurance	211,967	245,088	227,617	287,464
Life Insurance	4,453	5,352	5,075	5,544
Worker Compensation	52,992	64,380	62,179	64,269
<b>Personnel compensation and benefits</b>	<b>\$2,031,602</b>	<b>\$2,129,122</b>	<b>\$2,075,122</b>	<b>\$2,260,727</b>

### Salaries

The salaries in 2016 were effected primarily when the Authority hired a full time Executive Director in the July of 2016, therefore only having that budgeted salary for the second half of the year. The Authority filled the position of Project Manager and Business Relations Specialist in late 2016.

The following table is a staffing history:

<b>As of September 30</b>	<b>2016</b>	<b>2017 Forecast</b>	<b>2018 Budget</b>
<b>Filled</b>			
Full time equivalent (FTE)	24	29	29
Part time equivalent (PTE)	1		
<b>Vacant</b>			
FTE	4		

In March 2017 the Authority had the Operations Manager and Fleet Supervisor positions vacated, those two positions were filled in August. There were also two operations and one facilities position that were vacated, those positions are expected to be filled by the end of September.

There will be a discretionary 3% merit increase in the budget for 2018, to be awarded to the employee on the employee's anniversary of hire date at the airport.

### Payroll Taxes

Payroll taxes is comprised of the following:

- Medicare – 1.45% of salary, there is no wage limit

- Public Employees Retirement Association (PERA) - The Authority is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the Authority are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate is 8.00% of covered salary for members and 10.00% of covered salary for the Authority. A portion of the Authority's contribution (1.02% of covered salary) is allocated for the Health Care Trust Fund. The Authority is also required to pay an amortization equalization disbursement equal to 2.20% of the total payroll. Additionally, the Authority is required to pay a supplemental amortization equalization disbursement equal to 1.50% of the total payroll. Therefore the total amount due PERA from the Authority is 13.70% of the total payroll.
- Colorado State Unemployment Tax Act (SUTA) – the SUTA rate is adjusted annually and is not subject to a wage limit since the Authority is a political subdivision of Colorado.

#### 401(k)

The Airport offers a 401(k) plan through Colorado PERA. The Colorado PERA 401(k) Plan is a voluntary defined contribution plan. If an employee elects to contribute funds into a Colorado PERA 401(k) Plan, the Airport will match the funds contributed, up to 4% of an employee's gross pay per calendar year, beginning January 1<sup>st</sup>. The employee must contribute to the Plan for the Airport to match the funds. The funds contributed are matched dollar for dollar, up to a maximum of 4% of the employees gross pay per calendar year. The Airport Authority will only match funds for full-time regular employees who have at least one year of service.

#### Health and Wellness

The Authority offers a health membership at select health clubs at a lower rate than regular membership.

#### Health Insurance

As previously outlined in the Salaries discussion, the changes in number of employees has caused some irregular variances from the 2017 forecast to the 2018 budget. The Airport offers 100% health and dental coverage and 30% for dependents, employees pay 100% for vision and long term disability insurance. The following table shows the Airport's cost of annual health coverage per employee based on the coverage the employee selects:

Plan year	9/1/15-8/31/16		9/1/16-8/31/17		9/1/17-8/31/18	
	Employee	Employer	Employee	Employer	Employee	Employer
Health						
Employee Only	0	7,943	0	6,831	0	8,001
Employee + Spouse	6,116	10,564	4,782	8,880	5,601	10,402
Employee + Child(ren)	5,004	10,088	4,065	8,573	4,761	10,042
Family	11,120	12,708	8,846	10,622	10,362	12,442



Plan year	9/1/15-8/31/16		9/1/16-8/31/17		9/1/17-8/31/18	
Dental						
Employee Only	0	485	0	494	0	527
Employee + Spouse	336	629	343	641	366	684
Employee + Child(ren)	352	635	358	648	383	691
Family	699	784	711	799	760	853
<b>Total</b>						
Employee Only	0	8,428	0	7,325	0	8,528
Employee + Spouse	6,452	11,193	5,125	9,521	5,967	11,086
Employee + Child(ren)	5,356	10,723	4,423	9,221	5,144	10,733
Family	11,819	13,492	9,557	11,421	11,122	13,295

The minimum cost to the Airport for a new employee based on the plan year ending August 31, 2018 is \$8,528 an annual increase of \$100 from the plan year ending August 31, 2016. There is a budgeted 17% increase to health insurance and 10% increase to dental insurance in the cost of premiums starting September 1, 2018, which will be the new plan year.

#### *Life Insurance*

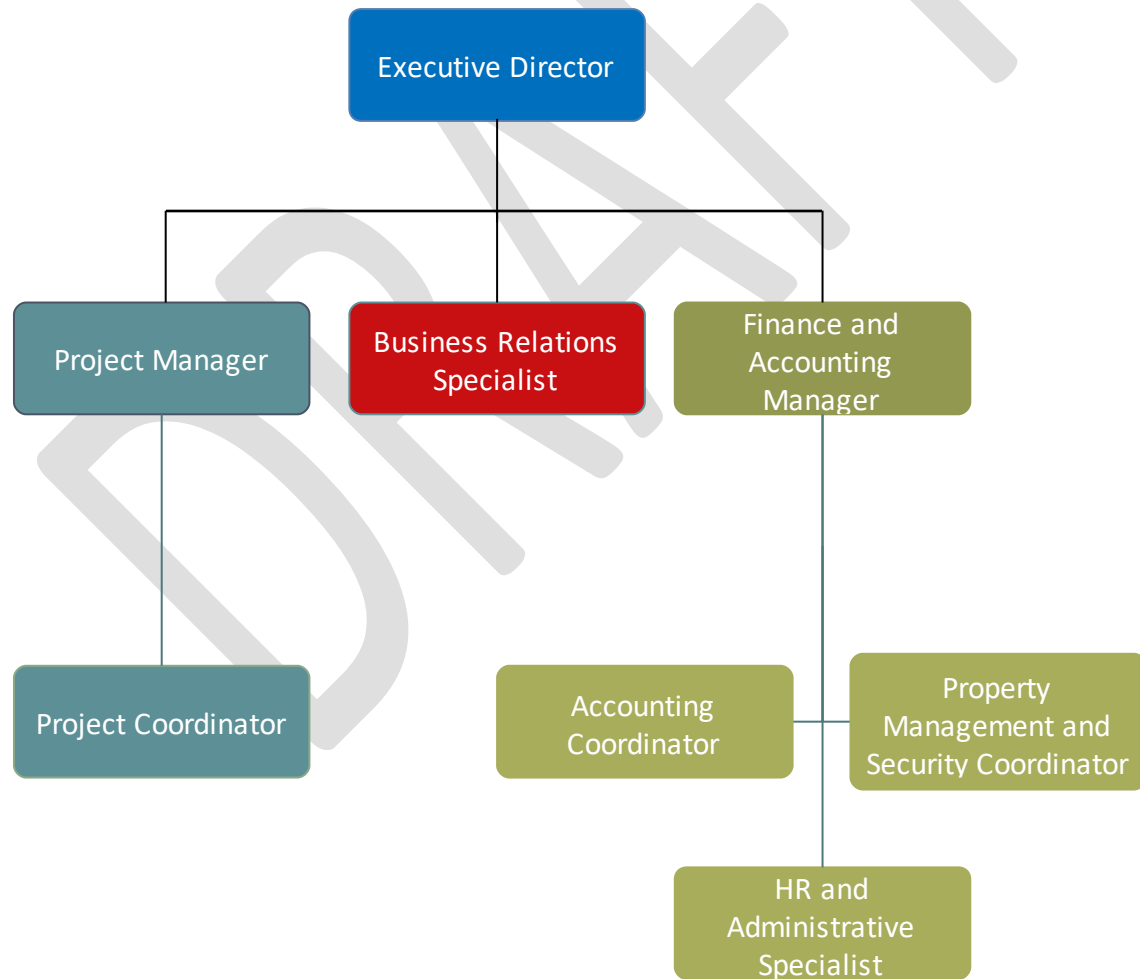
The Airport offers life insurance coverage for full-time employees, beginning on the first day of the month after hire. The Airport pays the entire cost of this insurance.

#### *Worker Compensation*

Rates are based on the type of category the employee is working in that determines the risk of injury along with the annual salary of the employee.

## OPERATING EXPENSE – ADMINISTRATION (SUMMARY)

Account Name	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
Personnel compensation and benefits	\$653,044	\$715,778	\$762,157	\$801,071
Communications and utilities	27,074	28,498	27,123	29,540
Supplies and materials	26,685	35,875	34,901	32,175
Contract services	955,697	852,757	753,005	860,624
Repairs & maintenance	19,744	15,000	12,183	21,000
Insurance	91,037	93,276	93,942	92,850
Other	39,606	108,675	104,107	126,865
<b>Total</b>	<b>\$1,812,886</b>	<b>\$1,849,859</b>	<b>\$1,787,418</b>	<b>\$1,964,125</b>



## OPERATING EXPENSE – ADMINISTRATION (GENERAL & ADMINISTRATIVE)

Account Name	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
<b>Personnel compensation and benefits</b>	<b>\$559,469</b>	<b>\$640,102</b>	<b>\$690,089</b>	<b>\$732,022</b>
Phone Service	15,436	15,804	15,804	15,804
Cell Phones	11,408	12,454	11,085	13,496
<b>Communications and utilities</b>	<b>26,844</b>	<b>28,258</b>	<b>26,889</b>	<b>29,300</b>
Board Expense	2,353	6,800	2,111	1,800
Uniforms	4,002	4,200	5,265	4,900
Materials & Supplies	5,157	3,000	3,001	6,000
Office Supplies	9,153	9,600	9,531	1,800
Postage & Shipping	1,889	2,400	1,773	2,400
Tools & Equipment	0	6,000	5,990	11,400
<b>Supplies and materials</b>	<b>22,554</b>	<b>32,000</b>	<b>27,671</b>	<b>28,300</b>
Professional Services - Acct	31,729	36,000	39,496	41,000
Professional Services - IT	104,965	110,882	110,441	147,299
Professional Services - Legal	377,141	240,000	141,104	156,000
Professional Services - Other	209,921	72,700	102,772	82,700
Professional Svcs - Eng & Plan	0	25,000	24,938	40,000
Copier Service	6,290	4,740	4,780	4,740
Marketing	10,820	75,000	46,948	83,100
Air Service Development	52,545	100,000	67,720	100,850
Personnel Recruiting	831	1,100	34,000	1,100
Publications	342	1,200	5,257	6,000
Personnel Services	7,215	7,735	6,406	5,195
Purchased Services	499	0	3,980	2,240
<b>Contract services</b>	<b>802,297</b>	<b>674,357</b>	<b>587,842</b>	<b>670,224</b>
Repairs & Maintenance	18,383	0	891	6,000
<b>Repairs &amp; maintenance</b>	<b>18,383</b>	<b>0</b>	<b>891</b>	<b>6,000</b>
Insurance	91,037	93,276	93,942	92,850
<b>Insurance</b>	<b>91,037</b>	<b>93,276</b>	<b>93,942</b>	<b>92,850</b>
Other	0	35,000	33,119	35,000
Contingency	0	3,000	3,000	3,000
Education And Training	10,671	28,000	18,561	28,000
Meals	1,091	3,700	3,720	3,800
Professional Dues	7,743	6,200	18,435	17,790
Travel & Meetings	1,818	20,000	14,022	15,000
<b>Other</b>	<b>21,323</b>	<b>95,900</b>	<b>90,857</b>	<b>102,590</b>
<b>Total</b>	<b>\$1,541,907</b>	<b>\$1,563,893</b>	<b>\$1,518,182</b>	<b>\$1,661,286</b>

## Overview

The General Administrative department is under the direct supervision of the Executive Director. This department is responsible for the administration, accounting and financial management of the Airport.

The functions of this department include the following:

- Human resources
- Marketing
- Air service development
- Project management
- Property management
- Accounting and finance

## Goals & Objectives

The first priority of the General and Administrative department is to create financial stability for both the short and long term. The following is an outline of more specific objectives of the department.

Objective	Initiative	Measure
Establish cash reserve	Determine the appropriate level of cash reserve based on current and future operating cash requirement	Maintain cash reserve as recommended to Board of Commissioners
Increase commercial air service	Review current air service to determine the needs of the community	Increase capacity and frequency of existing carriers and introduce a new carrier to the market
Promote learning and growth	Identify the organizational needs to improve job skills and cross-training	Introduce approved training and education schedule to employees to ensure participation
Maintain a qualified work force	Utilize the performance and appraisal tracking system to provide employee review	Appraisals to be done annually with notations by both employee and supervisor throughout the year

## Budget Commentary

### *Personnel Compensation and Benefits*

The personnel compensation and benefits was discussed in detail in the Operating Expense – Total Departments section of this document.

### *Communications and Utilities*

The amounts in this category are consistent year over year with immaterial variances. Cell phones are issued to managers and members of ARFF. Phone service is for the use of analog service along with a cost per phone with voice over IP (Internet Protocol).

### *Supplies and Materials*

The majority of the lines are consistent year over year with the exception of the increase for Tools & Equipment. The increase in tools & equipment is for Information Technology (IT) upgrades and replacements.

### *Contract Services*

The material variance items in this section are:

- Professional services IT – there are five items in this account that are responsible for the majority of the cost.
  - Annual maintenance fee and internet access with Sequent for \$29,000
  - Accounting software will be updated with an expected cost of \$40,000
  - Veoci, used for work orders, Part 139 inspection and property management, annual fee \$25,000
  - With the installation of the ground radar additional band width was required to accommodate this system. In order to increase the band width, access was made with the available fiber controlled by Centurylink for a monthly fee of \$1,500 (\$18,000 annual)
  - ProDIGIQ is the flight information display with an annual fee of \$11,000
- Professional services legal – this amount has varied significantly for the prior years. There are currently no pending legal issues that would require an increase in the 2018 budget to that of the 2016 legal fees. However, with a significant increase in the capital projects the airport is budgeting in 2018, it is reasonable to maintain a certain level of legal fees.
- Professional services other – the 2017 forecast includes \$65,000 for an airline contract consultant and an unbudgeted amount of \$25,000 for minimum standards consultant. The 2018 budget includes an amount for the airline contract consultant as this project is expected to continue into 2018.
- Professional services engineering and planning – this will include the additional work requested by the airport for services not in the current scope of work for the engineers and planners. With the increase in the 2018 capital projects the budget assumes additional needs for engineering and planning.
- Marketing – this account will be used both locally and regionally to promote the commercial service provided in Grand Junction.
- Air Service Development – the 2018 budget includes contracting with air service consultants to assist in discussions with airlines to develop new routes and enhance existing routes.
- Personnel Recruiting – the 2017 forecast includes the unbudgeted amount for executive

recruiting services. This service is expected to be completed in 2017.

#### *Repairs and Maintenance*

The repairs and maintenance section is used for currently unidentified IT general repairs.

#### *Insurance*

Insurance amounts are consistent year over year. Insurance policies are reviewed each year and renewed and updated in June.

#### *Other*

The material variance items in this section are:

- Contingency & Other – these accounts are used for unforeseen items that are needed during the year with Contingency having a specific amount for a network server switch replacement
- Education and Training – amount is consistent with the 2017 budget. The 2017 forecast decreased from the 2017 budget due to the vacancy of the Executive Director position in May. This position is expected to be filled for 2018
- Travel and Meetings – the expected 2018 travel includes Northwest Annual Conference; Washington D.C. legislative meetings; Colorado Airport Operators Association; and various meetings in Denver with FAA, CDOT, etc.

## OPERATING EXPENSE – ADMINISTRATION (SECURITY)

Account Name	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
<b>Personnel compensation and benefits</b>	<b>\$93,574</b>	<b>\$75,676</b>	<b>\$72,068</b>	<b>\$69,049</b>
Utilities-Electric	230	240	234	240
<b>Communications and utilities</b>	<b>230</b>	<b>240</b>	<b>234</b>	<b>240</b>
Uniforms	1,099	700	395	700
Office Supplies	10	125	100	125
Tools & Equipment	0	450	4,124	450
Materials & Supplies	3,022	2,600	2,611	2,600
<b>Supplies and materials</b>	<b>4,131</b>	<b>3,875</b>	<b>7,230</b>	<b>3,875</b>
Security Guard	149,000	156,000	159,100	168,000
Professional Services - Other	4,400	22,400	6,063	22,400
<b>Contract services</b>	<b>153,400</b>	<b>178,400</b>	<b>165,163</b>	<b>190,400</b>
Repairs & Maintenance	1,129	15,000	11,292	15,000
Access System Maintenance	232	0	0	0
<b>Repairs &amp; maintenance</b>	<b>1,361</b>	<b>15,000</b>	<b>11,292</b>	<b>15,000</b>
<b>Insurance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Education And Training	0	3,500	3,500	4,000
Fingerprint Processing	18,000	9,000	9,500	20,000
Professional Dues	275	275	250	275
<b>Other</b>	<b>18,275</b>	<b>12,775</b>	<b>13,250</b>	<b>24,275</b>
<b>Total</b>	<b>\$270,971</b>	<b>\$285,966</b>	<b>\$269,237</b>	<b>\$302,839</b>

### Overview

The Security department is supervised by the Finance Manager. In 2016, this position was modified to be the Property Management and Security Coordinator, and this employee has responsibilities in both the Security department and General Administrative department.

The Security Department operates independently of the TSA, however it is required to enforce the TSA regulations used at all airports in the United States. The TSA has offices in the airport, including the airport's security inspector, but otherwise does not have any direct oversight over the implementation of security protocol. The TSA leased office space in the airport is primarily for TSA gate agents.

The functions of this department include the following:

- Security badge administration
- Background checks
- Security systems
- Parking enforcement

#### Goals & Objectives

The first priority of the Security department is to ensure the safety and security of the flying public. The following is an outline of more specific objectives of the department.

Objective	Initiative	Measure
Provide a safe and secure airport	Annual TSA inspection and unscheduled TSA inspections	TSA audit will have no deficiencies and no letter of investigation
Promote learning and growth	Identify the organizational needs to improve job skills and cross-training	Introduce approved training and education schedule to employees to ensure participation
Maintain a qualified work force	Utilize the performance and appraisal tracking system to provide employee review	Appraisals to be done annually with notations by both employee and supervisor throughout the year

#### Budget Commentary

##### *Personnel Compensation and Benefits*

The personnel compensation and benefits was discussed in detail in the Operating Expense – Total Departments section of this document.

##### *Communications and Utilities*

The utility expense is to provide power the ground radar system that is used as part of the airport perimeter security system.

##### *Supplies and Materials*

Supply and material amounts are consistent year over year with the 2017 budget. The 2017 forecast for tools & equipment was for the replacement of security computer training system. All other variances are immaterial and no additional explanation is deemed necessary.

##### *Contract Services*

Security guard services will remain consistent with 2017 forecast with a slight increase in hourly rate. The increase versus the 2017 forecast in professional services – other is for the annual



maintenance service contract with the supplier of the ground radar system.

#### *Repairs and Maintenance*

The main driver in the repairs and maintenance account is the breakdown of perimeter security gates and access system. This includes the repair of gate encoders, air conditioning, chains and hinges.

#### *Insurance*

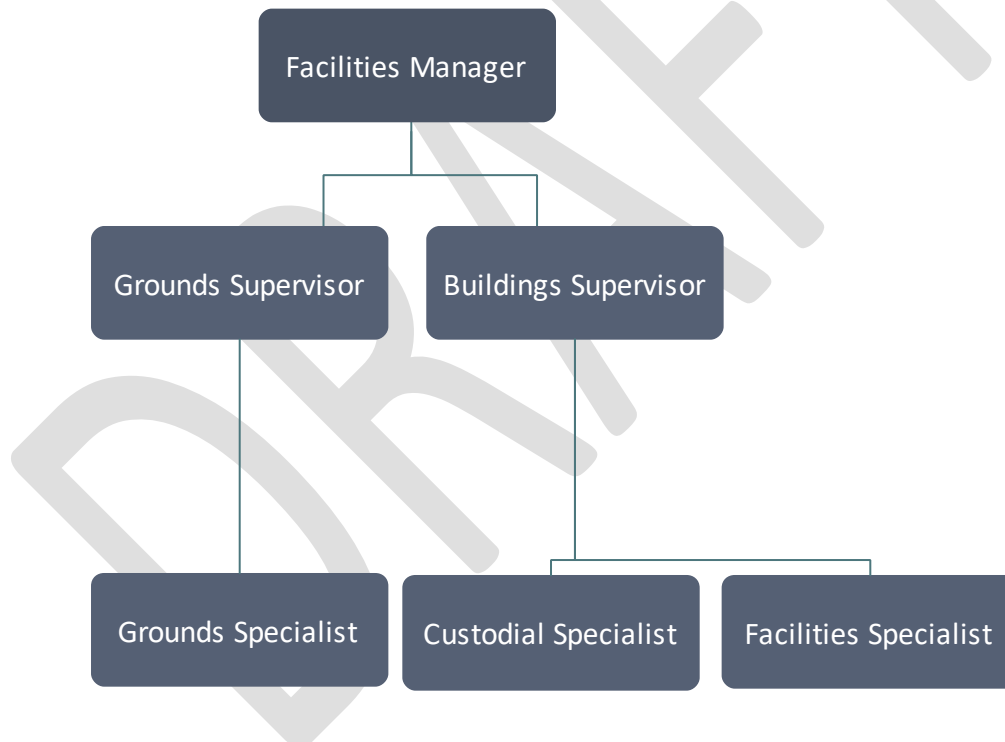
Insurance is only a part of the General and Administrative department and is not allocated to other departments.

#### *Other*

The increase in fingerprint processing is for SIDA badge renewals that are required every two years. Therefore, the amount in the 2018 budget is consistent with the 2016 actual amounts.

## OPERATING EXPENSE – FACILITIES (SUMMARY)

Account Name	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
Personnel compensation and benefits	\$697,151	\$795,958	\$709,501	\$793,513
Communications and utilities	241,448	281,748	279,626	290,396
Supplies and materials	79,450	85,115	87,323	94,840
Contract services	17,780	3,950	18,562	31,990
Repairs & maintenance	328,582	301,742	289,193	331,270
Insurance	0	0	0	0
Other	3,289	19,040	9,168	20,550
<b>Total</b>	<b>\$1,367,699</b>	<b>\$1,487,553</b>	<b>\$1,393,372</b>	<b>\$1,562,559</b>



## OPERATING EXPENSE – FACILITIES (TERMINAL)

Account Name	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
<b>Personnel Compensation And Benefits</b>	<b>\$446,867</b>	<b>\$508,609</b>	<b>\$482,482</b>	<b>\$524,546</b>
Utilities-Gas	15,648	27,500	27,235	27,500
Utilities-Electric	130,565	156,000	155,640	156,000
Utilities-Water	17,339	14,100	14,123	21,600
Utilities-Trash	8,008	9,180	9,182	9,600
Utilities-Sewer	6,167	6,000	5,991	6,300
<b>Communications and utilities</b>	<b>177,728</b>	<b>212,780</b>	<b>212,171</b>	<b>221,000</b>
Uniforms	7,201	4,900	7,598	6,300
Materials & Supplies	38,331	39,070	42,368	44,720
Tools & Equipment	16,136	2,600	2,528	2,800
Snow Removal	217	500	481	500
<b>Supplies and materials</b>	<b>61,885</b>	<b>47,070</b>	<b>52,975</b>	<b>54,320</b>
Personnel Services	0	500	0	500
Professional Services	234	800	0	800
Purchased Services	2,559	2,650	2,915	2,930
<b>Contract services</b>	<b>2,793</b>	<b>3,950</b>	<b>2,915</b>	<b>4,230</b>
Repairs & Maintenance	166,688	79,310	71,358	81,990
Boarding Bridge Maintenance	37,620	16,000	13,321	35,500
Elevator & Escalators	28,311	30,832	30,820	31,000
HVAC	14,894	0	0	0
Scheduled Replacements	0	104,000	88,849	59,000
<b>Repairs &amp; maintenance</b>	<b>247,512</b>	<b>230,142</b>	<b>204,347</b>	<b>207,490</b>
<b>Insurance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Education And Training	1,639	6,500	1,928	6,700
Contingency	0	10,500	6,500	10,500
<b>Other</b>	<b>1,639</b>	<b>17,000</b>	<b>8,428</b>	<b>17,200</b>
<b>Total</b>	<b>\$938,424</b>	<b>\$1,019,551</b>	<b>\$963,319</b>	<b>\$1,028,786</b>

### Overview

The Terminal department is supervised by the Facilities Manager. With over 400,000 annual passengers and guests in the airport terminal, it's up to the Terminal Department to provide a safe and worry-free environment, not only for the passengers but also the tenants. The Terminal department is driven by the required maintenance and general upkeep of the terminal.

The maintenance functions of this department include the following:

- Heating, ventilation and air conditioning system (HVAC)
- Plumbing and electrical repairs
- Fire system maintenance
- Boarding bridge maintenance

#### Goals & Objectives

The first priority of the Terminal department is to ensure the safety and comfort of the flying public. The following is an outline of more specific objectives of the department.

Objective	Initiative	Measure
Provide a comfortable and pleasant experience for the flying public	Replacement of HVAC, repair structural foundation, update life safety compliance, repair roof, replace escalators	Implement terminal renovations as approved by the Board
Promote learning and growth	Identify the organizational needs to improve job skills and cross-training	Introduce approved training and education schedule to employees to ensure participation
Maintain a qualified work force	Utilize the performance and appraisal tracking system to provide employee review	Appraisals to be done annually with notations by both employee and supervisor throughout the year

#### Budget Commentary

##### *Personnel Compensation and Benefits*

The personnel compensation and benefits was discussed in detail in the Operating Expense – Total Departments section of this document.

##### *Communications and Utilities*

The utility expense is consistent year over year. The variance in water utilities is due to the expected rise in utility rates along with a newly installed monitoring system to more accurately track water usage.

##### *Supplies and Materials*

The supplies and materials are consistent year over year. Variances are immaterial and no additional explanation is deemed necessary.

##### *Contract Services*

The contract services is consistent year over year. Variances are immaterial and no additional explanation is deemed necessary.

### *Repairs and Maintenance*

There is an overall decrease in this Repairs and Maintenance section compared to the 2017 budget and consistent with the 2017 forecast.

- The repairs and maintenance account has increased compared to 2017 forecast as the \$9,000 budgeted amount for the air conditioning roof top units was not needed. However, this amount is included in the 2018 budget.
- Boarding bridge maintenance has an increase in the 2018 budget for the replacement of the boarding bridge jack screws with an estimated cost of \$20,000.
- Scheduled replacements had an amount in the 2017 budget and 2017 forecast for tenant carpet replacement that is required as part of the tenant lease agreement at a cost of \$59,000. Due to the timing of the replacement estimated for December, the cost has been included in the 2018 budget under the assumption the project will not be completed in 2017.

### *Insurance*

Insurance is only a part of the General and Administrative department and is not allocated to other departments.

### *Other*

The Other accounts are consistent year over year, with minor variances. Variances are immaterial and no additional explanation is deemed necessary.

## OPERATING EXPENSE – FACILITIES (GROUNDS & ROADWAYS)

Account Name	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
<b>Personnel compensation and benefits</b>	<b>\$209,746</b>	<b>\$236,965</b>	<b>\$185,614</b>	<b>\$228,054</b>
Utilities-Electric	32,014	33,200	32,967	33,200
Utilities-Water	1,404	2,476	2,476	2,512
<b>Communications and utilities</b>	<b>33,418</b>	<b>35,676</b>	<b>35,442</b>	<b>35,712</b>
Uniforms	2,113	2,100	2,499	2,100
Materials & Supplies	12,444	29,060	24,873	28,480
Tools & Equipment	1,342	2,335	2,336	1,200
Snow Removal	994	1,500	1,451	2,500
<b>Supplies and materials</b>	<b>16,893</b>	<b>34,995</b>	<b>31,159</b>	<b>34,280</b>
Professional Services	14,988	0	15,647	25,960
<b>Contract services</b>	<b>14,988</b>	<b>0</b>	<b>15,647</b>	<b>25,960</b>
Repairs & Maintenance	21,555	17,000	16,630	35,600
Pavement Maintenance	4,693	12,000	12,000	13,000
Landscaping	4,072	6,800	6,799	6,900
<b>Repairs &amp; maintenance</b>	<b>30,321</b>	<b>35,800</b>	<b>35,429</b>	<b>55,500</b>
<b>Insurance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Education And Training	1,650	2,040	740	3,350
<b>Other</b>	<b>1,650</b>	<b>2,040</b>	<b>740</b>	<b>3,350</b>
<b>Total</b>	<b>\$307,015</b>	<b>\$345,476</b>	<b>\$304,030</b>	<b>\$382,856</b>

### Overview

The Grounds and Roadways department is supervised by the Facilities Manager.

The functions of this department include the following:

- Maintain all landscaping
- Maintain lighting for terminal entrance and exit
- Snow and ice removal for public movement
- Pavement maintenance

### Goals & Objectives

The following is an outline of specific objectives of the department.

Objective	Initiative	Measure
Maintain roadway system in front of terminal	Continue the roadway fog seal project started in 2016 to protect and maintain roads	The parking lot and Walker Field Drive fog seal project was started in 2016 and will continue in 2018
Continue the use of seasonal contract labor	Utilized seasonal contract labor	Eliminate the need to add airport employees and utilize external labor force
Promote learning and growth	Identify the organizational needs to improve job skills and cross-training	Introduce approved training and education schedule to employees to ensure participation
Maintain a qualified work force	Utilize the performance and appraisal tracking system to provide employee review	Appraisals to be done annually with notations by both employee and supervisor throughout the year

#### Budget Commentary

##### *Personnel Compensation and Benefits*

The personnel compensation and benefits was discussed in detail in the Operating Expense – Total Departments section of this document.

##### *Communications and Utilities*

The utility expense is consistent year over year. Variances are immaterial and no additional explanation is deemed necessary.

##### *Supplies and Materials*

The supplies and materials expense is consistent year over year. Variances are immaterial and no additional explanation is deemed necessary.

##### *Contract Services*

This account was used for contract labor to assist in landscaping maintenance. The 2018 budget includes bringing in contract labor in April and having that labor contracted through early part of October. This is an additional two months in 2018 versus 2017 with an approximate cost of \$10,000.

##### *Repairs and Maintenance*

The repairs and maintenance increase in the 2018 budget is for the conversion of street lights to LED lighting at a cost of approximately \$350 per light.

#### *Insurance*

Insurance is only a part of the General and Administrative department and is not allocated to other departments.

#### *Other*

The Other amounts are consistent year over year. Variances are immaterial and no additional explanation is deemed necessary.

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## OPERATING EXPENSE – FACILITIES (RENTAL CAR)

Account Name	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
<b>Personnel compensation and benefits</b>	<b>\$13,549</b>	<b>\$15,025</b>	<b>\$16,438</b>	<b>\$7,401</b>
Utilities-Electric	6,659	6,900	6,858	6,900
Utilities-Trash	1,575	1,656	1,650	1,680
<b>Communications and utilities</b>	<b>8,234</b>	<b>8,556</b>	<b>8,507</b>	<b>8,580</b>
Snow Removal	97	100	231	2,850
Materials & Supplies	575	0	31	590
<b>Supplies and materials</b>	<b>672</b>	<b>100</b>	<b>261</b>	<b>3,440</b>
Purchased Services	0	0	0	600
<b>Contract services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>600</b>
Repairs & Maintenance	10,911	12,600	12,580	11,330
Pavement Maintenance	0	0	0	22,000
<b>Repairs &amp; maintenance</b>	<b>10,911</b>	<b>12,600</b>	<b>12,580</b>	<b>33,330</b>
<b>Insurance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>\$33,366</b>	<b>\$36,281</b>	<b>\$37,787</b>	<b>\$53,351</b>

### Overview

The Rental Car department is supervised by the Facilities Manager. There are no employees for this department, the personnel expense is based on the amount of time airport employees spend maintaining the rental car area. The expenses for this department are recovered through the customer facility charge.

The functions of this department are to provide the rental car companies with the following:

- Fuel station
- Parking lot
- Car and truck vacuum center

### Goals & Objectives

The following is an outline of specific objectives of the department.

Objective	Initiative	Measure
Maintain fuel station and car/truck vacuum center	Continue to provide service to rental car companies	Work closely with rental car companies to reduce full fuel station lockouts
Assess rental parking lot	Provide repair work as needed	Work closely with rental car companies to avoid significant disruption to rental car operations

#### Budget Commentary

##### *Personnel Compensation and Benefits*

The personnel compensation and benefits was discussed in detail in the Operating Expense – Total Departments section of this document.

##### *Communications and Utilities*

The utility expense is consistent year over year. Variances are immaterial and no additional explanation is deemed necessary.

##### *Supplies and Materials*

Supply and material amounts are consistent year over year with the 2017 budget and 2017 forecast. Variances are immaterial and no additional explanation is deemed necessary.

##### *Contract Services*

The Contract Services account is for annual fuel site testing that was previously part of the repairs and maintenance account. Variances are immaterial and no additional explanation is deemed necessary.

##### *Repairs and Maintenance*

The increase in pavement maintenance is for the rental car parking lot that is showing signs of needed repairs. The rental car parking lot was installed in 2009-2010 and has not had any significant repairs.

##### *Insurance*

Insurance is only a part of the General and Administrative department and is not allocated to other departments.

##### *Other*

The Other section is not used in this department.

## OPERATING EXPENSE – FACILITIES (OTHER BUILDINGS)

Account Name	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
<b>Personnel compensation and benefits</b>	<b>\$26,989</b>	<b>\$35,359</b>	<b>\$24,967</b>	<b>\$33,512</b>
Utilities-Gas	4,907	7,400	6,754	7,700
Utilities-Electric	11,941	12,200	11,718	12,200
Utilities-Water	2,471	2,496	2,451	2,540
Utilities-Trash	2,159	2,088	2,075	2,088
Utilities-Sewer	591	552	506	576
<b>Communications and utilities</b>	<b>22,068</b>	<b>24,736</b>	<b>23,505</b>	<b>25,104</b>
Snow Removal	0	750	731	500
Materials & Supplies	0	2,200	2,197	2,300
<b>Supplies and materials</b>	<b>0</b>	<b>2,950</b>	<b>2,928</b>	<b>2,800</b>
Purchased Services	0	0	0	1,200
<b>Contract services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,200</b>
Parking Lot Maintenance	0	500	500	600
Repairs & Maintenance	7,941	7,280	7,295	12,450
Tower Repairs & Maintenance	31,896	15,420	29,041	21,900
<b>Repairs &amp; maintenance</b>	<b>39,837</b>	<b>23,200</b>	<b>36,836</b>	<b>34,950</b>
<b>Insurance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>\$88,894</b>	<b>\$86,245</b>	<b>\$88,236</b>	<b>\$97,566</b>

### Overview

The Other Buildings department is supervised by the Facilities Manager. There are no employees for this department, the personnel expense is based on the amount of time airport employees spend maintaining buildings other than the terminal building, such as the fleet maintenance/ARFF building.

The maintenance functions of this department include the following:

- Air traffic control tower (ATCT) – elevator and custodial
- Airport owned hangar
- Fleet/ARFF building

## Goals & Objectives

The following is an outline of specific objectives of the department.

Objective	Initiative	Measure
Provide a safe work environment in the ATCT	Replace the ATCT fire notification system	Receive board approval in the capital budget to replace the ATCT fire notification system

## Budget Commentary

### *Personnel Compensation and Benefits*

The personnel compensation and benefits was discussed in detail in the Operating Expense – Total Departments section of this document.

### *Communications and Utilities*

The utility expense is consistent year over year. Variances are immaterial and no additional explanation is deemed necessary.

### *Supplies and Materials*

Supply and material amounts are consistent year over year with the 2017 budget and 2017 forecast. Variances are immaterial and no additional explanation is deemed necessary.

### *Contract Services*

The Contract Services section is not used in this department.

### *Repairs and Maintenance*

The following are the major variances in the Repairs and Maintenance.

- Repairs and maintenance – the 2018 budget includes an increase in repair cost to the ARFF building. As the building continues to age, maintenance costs will increase.
- Tower repairs and maintenance – the 2017 budget included \$11,000 for additional cleaning for the control tower, 2018 does not include this incremental amount. The contract tower agreement does not require cleaning seven days a week, current cleaning is done once per week.

### *Insurance*

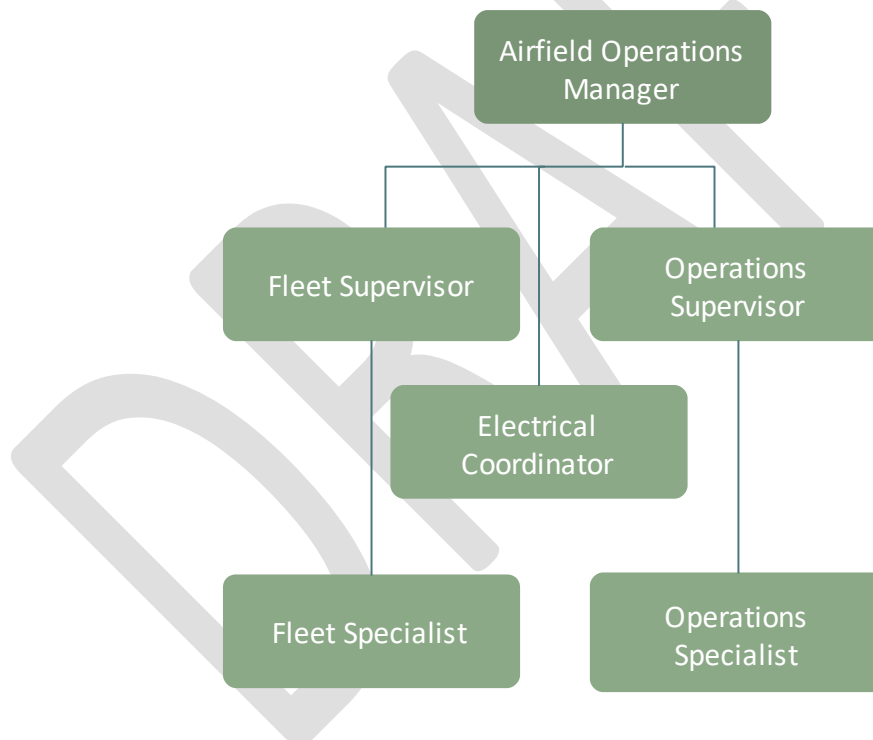
Insurance is only a part of the General and Administrative department and is not allocated to other departments.

### *Other*

The Other section is not used in this department.

## OPERATING EXPENSE – AIRFIELD (SUMMARY)

Account Name	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
Personnel compensation and benefits	\$681,407	\$617,386	\$603,464	\$666,143
Communications and utilities	20,968	22,420	21,982	24,140
Supplies and materials	115,648	126,341	128,538	127,934
Contract services	9,390	8,860	4,002	9,860
Repairs & maintenance	95,723	107,365	92,321	97,595
Insurance	0	0	0	0
Other	17,167	58,175	63,671	74,550
<b>Total</b>	<b>\$940,303</b>	<b>\$940,547</b>	<b>\$913,978</b>	<b>\$1,000,222</b>



## OPERATING EXPENSE – AIRFIELD (OPERATIONS)

Account Name	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
<b>Personnel compensation and benefits</b>	<b>\$503,415</b>	<b>\$457,850</b>	<b>\$474,593</b>	<b>\$474,730</b>
Utilities-Electric	19,809	21,120	20,281	22,440
<b>Communications and utilities</b>	<b>19,809</b>	<b>21,120</b>	<b>20,281</b>	<b>22,440</b>
Uniforms	6,962	4,900	6,186	4,900
Materials & Supplies	7,295	8,640	4,861	8,310
Runway & Taxiway Lighting	26,432	12,590	8,338	12,590
Runway Deicing	0	0	7,875	0
Snow Removal	1,342	1,200	6,760	1,200
Wildlife Control	1,430	3,100	1,777	3,100
Glycol Disposal	10,080	14,000	14,000	15,000
Tools & Equipment	2,880	11,000	10,346	3,500
<b>Supplies and materials</b>	<b>56,421</b>	<b>55,430</b>	<b>60,143</b>	<b>48,600</b>
Copier Service	0	1,860	150	1,860
<b>Contract services</b>	<b>0</b>	<b>1,860</b>	<b>150</b>	<b>1,860</b>
Pavement Maintenance	33,291	22,600	22,525	28,800
Repairs & Maintenance	7,603	10,480	7,749	6,250
<b>Repairs &amp; maintenance</b>	<b>40,893</b>	<b>33,080</b>	<b>30,274</b>	<b>35,050</b>
<b>Insurance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Education And Training	2,298	9,125	5,925	9,000
Professional Dues	50	750	750	950
Contingency	0	5,000	5,000	5,000
<b>Other</b>	<b>2,348</b>	<b>14,875</b>	<b>11,675</b>	<b>14,950</b>
<b>Total</b>	<b>\$622,887</b>	<b>\$584,215</b>	<b>\$597,116</b>	<b>\$597,630</b>

### Overview

The Operations department is supervised by the Airfield Operations Manager. The Operations department has an operations supervisor, operations specialists and an electrical coordinator.

The functions of this department include the following:

- Runway and taxiway lighting
- Pavement repair and maintenance
- Snow removal
- Wildlife control

## Goals & Objectives

The first priority of the Operations department is to ensure the safe and efficient operation of the airfield. The following is an outline of more specific objectives of the department.

Objective	Initiative	Measure
Provide a safe and secure airport	Annual FAA 139 inspection	Receive zero discrepancies
Complete east terminal ramp construction and start rehabilitation of taxiway A	Receive FAA grant approval for construction	Receive bids and complete projects in 2018
Promote learning and growth	Identify the organizational needs to improve job skills and cross-training	Introduce approved training and education schedule to employees to ensure participation
Maintain a qualified work force	Utilize the performance and appraisal tracking system to provide employee review	Appraisals to be done annually with notations by both employee and supervisor throughout the year

## Budget Commentary

### *Personnel Compensation and Benefits*

The personnel compensation and benefits was discussed in detail in the Operating Expense – Total Departments section of this document.

### *Communications and Utilities*

The utility expense is consistent year over year. The minor variance is due to the expected rise in utility rates, no expansion of utility service is expected in 2017.

### *Supplies and Materials*

The runway deicing variance is a result of the purchase inventory in 2017 that is not expected in 2018. Snow removal items have been budgeted at historical costs prior to 2017 with a small likelihood of a repeat of the atypical 2017 snow and ice storms.

### *Contract Services*

Contract service amounts are consistent year over year with the 2017 budget and 2017 forecast. Variances are immaterial and no additional explanation is deemed necessary.

### *Repairs and Maintenance*

Pavement maintenance in 2018 includes rubber removal of runway 11/29 with an estimated cost of \$20,000, this was not done in 2017.

#### *Insurance*

Insurance is only a part of the General and Administrative department and is not allocated to other departments.

#### *Other*

The Other amounts are consistent year over year with the 2017 budget and 2017 forecast. Variances are immaterial and no additional explanation is deemed necessary.

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## OPERATING EXPENSE – AIRFIELD (ARFF)

Account Name	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
<b>Personnel compensation and benefits</b>	<b>\$51,175</b>	<b>\$51,310</b>	<b>\$43,740</b>	<b>\$58,184</b>
Phone Service	1,159	1,300	1,701	1,700
<b>Communications and utilities</b>	<b>1,159</b>	<b>1,300</b>	<b>1,701</b>	<b>1,700</b>
Materials & Supplies	415	1,820	1,803	1,710
Tools & Equipment	7,951	4,100	4,069	11,000
Firefighting Supplies	390	3,700	3,700	5,333
<b>Supplies and materials</b>	<b>8,756</b>	<b>9,620</b>	<b>9,572</b>	<b>18,043</b>
ARFF Physicals	9,390	7,000	3,852	8,000
<b>Contract services</b>	<b>9,390</b>	<b>7,000</b>	<b>3,852</b>	<b>8,000</b>
<b>Repairs &amp; maintenance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Insurance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Education And Training	14,183	21,800	30,523	34,100
<b>Other</b>	<b>14,183</b>	<b>21,800</b>	<b>30,523</b>	<b>34,100</b>
<b>Total</b>	<b>\$84,663</b>	<b>\$91,030</b>	<b>\$89,388</b>	<b>\$120,027</b>

### Overview

The Airport Rescue Fire Fighting (ARFF) department does not have employees designated to ARFF as their primary job responsibility. ARFF is comprised of dual-role employees mainly from the Airfield Operations department. However, there are employees from the Terminal Department and Grounds & Roads department that are trained to respond to ARFF emergencies.

The functions of this department on the airfield side of the airport is the following:

- Fire response
- Aircraft incident and accident response
- Medical response

### Goals & Objectives

The following is an outline of specific objectives of the department.

Objective	Initiative	Measure
Conduct emergency and disaster preparation exercises	Engage employees and first responders in exercise	Gain understanding of the responsibility for everyone involved

## Budget Commentary

### *Personnel Compensation and Benefits*

The personnel compensation and benefits was discussed in detail in the Operating Expense – Total Departments section of this document.

### *Communications and Utilities*

The phone service expense is consistent year over year.

### *Supplies and Materials*

The tools and equipment account is increased with the addition of air bottles at a cost of \$5,000.

### *Contract Services*

The increase in Contract Services for the 2018 budget is a result of the employee turnover in 2017 that reduced the cost of the ARFF physicals. The budget has a total of 16 ARFF personnel that will increase the annual cost of physicals.

### *Repairs and Maintenance*

The Repairs and Maintenance section is not used in this department.

### *Insurance*

Insurance is only a part of the General and Administrative department and is not allocated to other departments.

### *Other*

The education and training account is increased for the initial training of additional ARFF personnel.

## OPERATING EXPENSE – AIRFIELD (FLEET)

Account Name	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
<b>Personnel compensation and benefits</b>	<b>\$126,818</b>	<b>\$108,226</b>	<b>\$85,131</b>	<b>\$133,229</b>
<b>Communications and utilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Materials & Supplies	7,633	7,000	6,999	7,000
Uniforms	1,651	1,400	2,090	1,400
Tools & Equipment	6,829	7,000	7,000	7,000
Fuel - Diesel	17,197	24,065	24,064	24,065
Fuel - Unleaded	9,144	10,896	10,895	10,896
Oil & Lubricants	8,017	10,930	7,776	10,930
<b>Supplies and materials</b>	<b>50,471</b>	<b>61,291</b>	<b>58,824</b>	<b>61,291</b>
<b>Contract services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
SRE Repairs & Maintenance	22,352	38,500	25,937	24,260
Repairs & Maintenance	32,478	35,785	36,110	38,285
<b>Repairs &amp; maintenance</b>	<b>54,830</b>	<b>74,285</b>	<b>62,047</b>	<b>62,545</b>
<b>Insurance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Contingency	0	20,000	20,000	20,000
Education And Training	0	0	0	4,000
Rentals	500	0	0	0
Licenses & Fees	136	1,500	1,472	1,500
<b>Other</b>	<b>636</b>	<b>21,500</b>	<b>21,472</b>	<b>25,500</b>
<b>Total</b>	<b>\$232,754</b>	<b>\$265,302</b>	<b>\$227,474</b>	<b>\$282,565</b>

### Overview

The Fleet department is supervised by the Airfield Operations Manager. The Operations department has an operations supervisor, operations specialists and an electrical coordinator.

The functions of this department include the following:

- Maintenance of all Airport vehicles
  - Snow removal equipment (SRE)
  - Fire trucks
  - Tractors
  - Mowers
  - Trucks
- Rental car fuel oversight

## Goals & Objectives

The following is an outline of more specific objectives of the department.

Objective	Initiative	Measure
Provide a well maintained vehicle fleet	Continue preventative maintenance program	Have limited vehicle breakdown, specifically with SRE during snow removal operations
Promote learning and growth	Identify the organizational needs to improve job skills and cross-training	Introduce approved training and education schedule to employees to ensure participation
Maintain a qualified work force	Utilize the performance and appraisal tracking system to provide employee review	Appraisals to be done annually with notations by both employee and supervisor throughout the year

## Budget Commentary

### *Personnel Compensation and Benefits*

The personnel compensation and benefits was discussed in detail in the Operating Expense – Total Departments section of this document.

### *Communications and Utilities*

The Communications and Utilities section is not used in this department.

### *Supplies and Materials*

Amounts are consistent year over year with the 2017 budget and 2017 forecast. Variances are immaterial and no additional explanation is deemed necessary.

### *Contract Services*

The Contract Services section is not used in this department.

### *Repairs and Maintenance*

Amounts are consistent year over year with the 2017 budget and 2017 forecast. Variances are immaterial and no additional explanation is deemed necessary.

### *Insurance*

Insurance is only a part of the General and Administrative department and is not allocated to other departments.

*Other*

The increase in education and training is for a staff member to attend a fire truck maintenance training seminar.

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## NON-OPERATING REVENUE & EXPENSE

	2016 Actual	2017 Budget	2017 Forecast	2018 Budget
Passenger facility charges	\$894,064	\$887,000	\$896,912	\$900,100
Interest income	29,256	19,200	81,737	39,000
Interest expense	(696,874)	(890,892)	(890,892)	(841,744)
Customer facility charges	705,523	579,000	714,043	722,300
Capital contributions	2,217,883	9,356,574	4,047,780	12,019,132
Capital expenditure	(2,996,143)	(21,681,445)	(5,373,244)	(23,810,422)
Debt principal payments	(1,298,096)	(1,080,932)	(1,080,932)	(1,129,158)
Other	(561,894)	0	(151,294)	0
<b>Total non-operating revenue (expense)</b>	<b>(\$1,706,280)</b>	<b>(\$12,811,495)</b>	<b>(\$1,755,890)</b>	<b>(\$12,100,792)</b>

### Budget Commentary

#### *Passenger Facility Charges (PFC)*

The Airport receives the maximum allowed fee of \$4.50 per passenger with a handling fee of \$0.11 retained by the air carrier. The use of the PFC revenue was to service the 2007 Bonds and is being used to service the 2016 Bonds along with other PFC eligible projects as administered by the FAA Order 5500.1. Additional discussion of the 2007 Bonds and 2016 Bonds can be found in the Debt section of this budget document.

#### *Interest Income*

Interest income is received from the unrestricted operation cash funds and the restricted PFC cash account and the 2016 bond fund. The bond fund is budgeted to be utilized in 2018.

#### *Interest Expense*

The interest expense is from two sources, the Colorado SIB loan and the 2007 Bonds and 2016 Bonds. Additional discussion of the 2007 Bonds and 2016 Bonds can be found in the Debt section of this budget document.

#### *Customer Facility Charges (CFC)*

The Customer Facility Charge (CFC) is a pass through cost to the rental car customer that must pay \$4.00 per rental day. The revenue is used to pay the 10 year 2009 Colorado State Infrastructure Bank loan that was received to build the rental car parking and fuel facilities used by the rental car companies.

#### *Capital Contributions*

The 2018 budget includes AIP grant revenue from the FAA of approximately \$9,000,000 for the continuation of runway design and east terminal apron construction and to start construction on the remote transmitter site work, realignment of 27 ¼ road and rehabilitate taxiway alpha on the east and west ends.

The 2018 AIP funding estimated to be received from the state of Colorado will be limited to approximately \$267,000 for the projects previously discussed. The Airport is responsible for approximately \$700,000 of the 2018 AIP projects.

Refer to the Capital Expenditure section of this budget document for detail discussion of the funding sources and expenses.

### *Capital Expenditure*

#### *Capital Improvements*

The Airport's capital expenditures are classified in two parts: airport improvement projects (AIP) and operating or Non-AIP capital improvement projects (Non-AIP). Non-AIP are those projects that are not part of the AIP funding and will therefore be funded from operating revenue.

For the purposes of the capital expenditure process, capital is defined in the Airport capitalization policy as an asset that has a unit value greater than \$2,500 and a useful life greater than 12 months. This aids in the classification of items that can be categorized as capital improvements versus repairs and maintenance. Once the capital expenditures presented to the board in the budget are approved, an additional approval must be received based on the Airport's policy on purchasing and procurement. This policy requires all purchases over \$10,000 have written price quotes presented to the board prior to purchase. In the event the purchase is greater than \$50,000, a request for proposal or equivalent is required in order to receive competitive bids.

The non-AIP capital budget is developed on an as needed basis with the understanding that, as a general rule, heavy equipment has a 10-20 year life and cars/trucks have a 5-10 year life. However, in some cases, these items will not be replaced until it is no longer cost effective to maintain the item, and, as a result extending the life significantly. Computer equipment and software is used until the software is either outdated or no longer supported. In the case of the Terminal Building project, many of these items will address the major operating capital (greater than \$50,000) needs for the next 10 years. The annual operating budget excess is used as a guide to develop the annual operating capital budget.

#### *Capital Projects 2018 – 2028*

	2018	2019	2020	2021	2022-2028	Total
<b>NON-AIP Projects</b>						
<b>Administration</b>						
Replace primary core switch	40,000					40,000
Office renovation	125,000					125,000
<b>Terminal</b>						
Tunnel & boarding bridge	1,620,000					1,620,000

	2018	2019	2020	2021	2022-2028	Total
Terminal building rehabilitation	7,775,000					7,775,000
Administration building	1,000,000					1,000,000
Terminal lighting timer	10,000					10,000
<b>Grounds &amp; Roads</b>						
Sidewalk at Aviator's Memorial Park	7,000					7,000
Fence at Aviator's Memorial Park	4,500					4,500
Landside storage shed	4,000					4,000
Fog seal phase 3	45,000					45,000
<b>Other Facilities</b>						
Replace roof membrane - original ARFF building	60,000					60,000
ATCT fire notification system	50,000					50,000
Airside fuel tank computer software	18,000					18,000
<b>Fleet</b>						
Surplus equipment auction	50,000					50,000
<b>Operations</b>						
Rehabilitate runway 4/22				2,000,000		2,000,000
<b>Future unidentified projects</b>		376,000	388,000	400,000	4,000,000	5,164,000
<b>Subtotal Non-AIP Projects</b>	<b>10,808,500</b>	<b>376,000</b>	<b>388,000</b>	<b>2,400,000</b>	<b>4,000,000</b>	<b>17,972,500</b>
<b>AIP Projects</b>						
Runway Design (Phase 1) - AIP 55	492,604					492,604
Runway Design (Phase 2) - AIP 56	2,105,444					2,105,444
East Terminal Apron - AIP 54	2,348,208					2,248,208
RTR Site Work (RA)	1,339,000					1,339,000
Realign 27 1/4 Road	5,000,000					5,000,000
Rehab Taxiway A (East and West Ends)	1,716,667					1,716,667
Rehab West Commercial Apron		8,777,778				8,777,778
New Runway 11/29 - Construct Ponds, North Perimeter Road & Fence			3,800,000			3,800,000
New Runway 11/29 - Earthwork for Runway 11/29 & all Taxiways (Phase 1 of 3)			4,150,000			4,150,000
Current Runway 11/29 - Rehabilitate/Overlay Failed Portions/Seal Coat/Restripe				3,500,000		3,500,000
Rehab Taxiway A (Commercial Apron Section)				2,400,000		2,400,000
Rehab Taxiway A (BLM to Twin Otter)				2,300,000		2,300,000
New Runway 11/29 - Earthwork for Runway 11/29 & all Taxiways (Phase 2 of 3)					8,300,000	8,300,000
New Runway 11/29 - Earthwork for Runway 11/29 & all Taxiways (Phase 3 of 3)					4,150,000	4,150,000



	2018	2019	2020	2021	2022-2028	Total
New Runway 11/29 - Storm Infrastructure & Taxiway's Subgrade, Base, & Underdrains					9,600,000	9,600,000
New Runway 11/29 - Runway Subgrade, Base, Underdrain & Electrical Duct					11,500,000	11,500,000
Rehab Taxiway C (TW A to TW C1A)					1,900,000	1,900,000
New Runway 11/29 - Asphalt Pavements at Taxiways (Bottom Lifts)					7,250,000	7,250,000
New Runway 11/29 - Asphalt Pavements on Runway (Bottom Lifts)					9,800,000	9,800,000
New Runway 11/29 - Asphalt Pavements on Runway & Taxiways (Top Lifts)					10,400,000	10,400,000
New Runway 11/29 - Grooving, Pavement Markings, Electrical					3,000,000	3,000,000
NAVAID's for New Runway - Design & Construction (Reimbursable Agreement)					2,250,000	2,250,000
Runway 11/29 to TW "A" Conversion & Reconstruction					29,000,000	29,000,000
Rehab Taxiway A (Remaining Sections)					5,100,000	5,100,000
<b>Subtotal AIP Projects</b>	<b>13,001,923</b>	<b>8,777,778</b>	<b>7,950,000</b>	<b>8,200,000</b>	<b>102,250,000</b>	<b>140,179,701</b>
<b>Funding Source</b>						
Federal portion	11,701,730	7,900,000	7,155,000	7,380,000	92,025,000	126,161,730
State portion	317,402	150,000	150,000	150,000	1,050,000	1,817,402
GJ Airport portion	982,791	727,778	645,000	670,000	9,175,000	12,200,569
<b>TOTAL PROJECT COST</b>	<b>23,810,423</b>	<b>9,153,778</b>	<b>8,338,000</b>	<b>10,600,000</b>	<b>106,250,000</b>	<b>158,152,201</b>

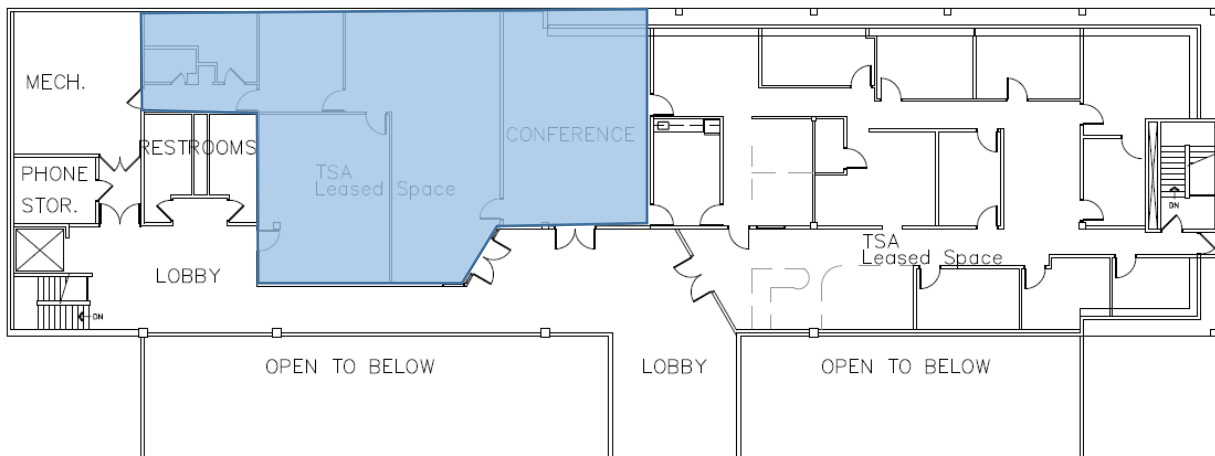
## 2018 Capital Projects – detail

### Replace primary core switch:

The 4500 Series core switch performs as a gateway router for the Airport network. It handles the routing and traffic isolation functions within the network. Switches operate at a greater efficiency than routers and because the Airport utilizes a circuit for Internet access, we are able to utilize this as the primary routing device. The current switch is no longer supported with security updates. Total cost in the 2018 budget is \$60,000

### Office renovation:

The administrative offices will be relocated to the third floor of the terminal building, the space is currently occupied by the TSA. The relocation will incur expenses for new furniture and reconfiguration of the existing space. The total space is estimated to 2,160 with 660 square feet for the conference room and 1,500 square feet for office space. There will be approximately nine airport administrative staff members occupying the proposed space. The conference room will be evaluated for future board meetings. Total renovation cost in the 2018 budget is \$125,000.



### **Tunnel and boarding bridge:**

The addition of a third boarding bridge will reduce the congestion and crowding of the upper boarding area and utilize the lower boarding area. This will create a safer environment for the passengers and allow larger planes to be served by a boarding bridge. The total cost of the tunnel and boarding bridge is expected to be \$1,800,000 with \$180,000 included in the 2017 forecast and the remaining \$1,620,000 included in the 2018 budget.



### **Terminal building rehab:**

Based on the 2016 Update to the BCER Terminal Building Assessment, conducted as part of the on-going Terminal Area Plan Amendment project, the Airport has requested an estimate of the absolute minimum level of renovation necessary to make the terminal building safe and functional for at least the next 10 years. It is important to note that many of the building

components and systems have reached or exceeded their useful life and that very few recommendations from the 2011 BCER Assessment have been completed in the last 5 years. Consequently, this minimum level of renovation will also be referred to as the Terminal Survival Recommendations. In other words, without completing these recommended renovations, the Airport risks losing its ability to process arriving and departing commercial passengers and thus, risks its survival. The list of survival recommendations and rough order of magnitude (ROM) construction cost estimates and construction plus soft/contingency costs for each recommendation are as follows:

<b>Mechanical</b>	
HVAC, total replacement	\$4,410,400
<b>Structural Foundation and Building Frame Integrity</b>	
Repair beams in lower level and in terminal roof, install monitoring gauges on precast panels, structural foundation, floor slab & geotechnical investigation	187,740
<b>Code Compliance/Life Safety</b>	
Smoke evacuation system for atrium, fire alarm upgrade, emergency and egress lighting and exit stair enclosures	2,086,000
<b>Other</b>	
Roof, electrical and escalators	1,796,940
Other	43,920
<b>Total</b>	<b>\$8,525,000</b>

The 2017 forecast includes \$750,000 of design fees with the remaining cost of approximately \$7,775,000 in the 2018 budget.

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#### Administration building:



The administration building has not had any construction worked performed on it since 2013. The building was considered the first phase of a new terminal. The current unfinished status of the administration building would require a large cash investment that needs to be fully funded by the Airport, a private investor or a combination. The 2017 budget of \$1,000,000 is being carried forward to the 2018 budget.

### Terminal lighting timer:

The terminal lighting timer will replace the current lighting timer that is no longer supported by hardware (including battery backups) or software, it is approximately 15 years old. This timer is estimated to control 60% of the terminal lighting. In addition it provides a cost and energy savings by having the terminal on a timer. The cost of the terminal lighting timer in the 2018 budget is estimated at \$10,000.



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### Sidewalk at Aviator's Memorial Park:



The requested sidewalk will take guests down to the location with the welcome and information sign regarding the A6 Intruder static display. This sidewalk will provide ADA accessibility that is not currently available. The additional sidewalk and landscaping will reduce or eliminate the erosion and mitigate a trip and fall hazard.



### Fence at Aviator's Memorial Park:

The fence project at Aviator's Memorial Park was reviewed as part of an airport liability risk control survey. The insurance report recommended installing a guardrail for the park concrete platform. The cost in the 2018 budget is estimated to be \$4,500.



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### Landside storage shed:



The landside storage shed will consolidate the storage capacity for the landside facilities. Currently, landside supplies are located in storage units from the east side to the west side of the airport. The proposed location will be north of the Eagle Drive and Aviators Way round-a-bout with an estimated cost in the 2018 budget of \$4,000.

### Fog seal phase 3:

The fog seal project on public roadways and parking lots began in 2016 and continued in 2017. The first two phases of the fog seal project included the main guest parking lot, Walker Field Drive and Falcon Way. Fog seal phase 3 will complete the east side of the road system benefitting the general aviation community. The project will include the following:

- a. Aviators Way
- b. Navigators Way
- c. Tower Road
- d. Portion of Eagle Drive
- e. All Heritage Courts

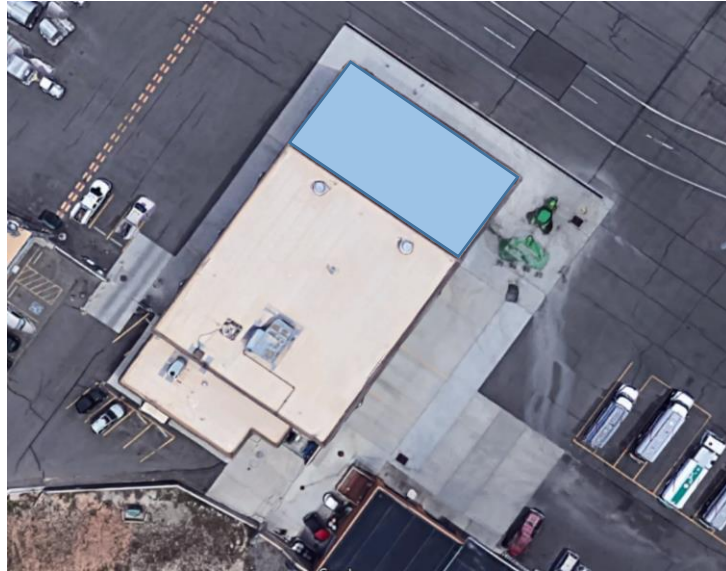
The fog seal phase 3 cost in the 2018 budget is estimated to be \$45,000.





**Replace roof membrane (original ARFF building):**

The ARFF building roof membrane will be replaced with thermal plastic polyolefin (TPO) membrane. The building was constructed in 2000 with an addition completed in 2008. The picture below is the top of the ARFF building with the addition shaded in blue that has a TPO roof membrane, this portion of the roof will not be replaced as part of the capital project. The 2018 budget estimates a total project cost of \$60,000.



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**ATCT fire notification system:**

The current fire notification system at the air traffic control tower is non-compliant with current fire code and is no longer supported by the installation company. The replacement of the fire notification system is needed in order to provide a safe work environment for those located in the ATCT. The 2018 budget estimates the cost of \$50,000 to replace the fire notification system.

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**Airside fuel tank computer software:**

The airside fuel tank is currently monitored manually. The upgrade to computer monitoring will modernize the fuel site and integrate the rental car fuel site with the airside fuel system to be more efficient for reporting and monitoring fuel leaks. The cost of the software will be \$18,000.

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**Surplus equipment auction:**

In prior years, the Airport has attended the Denver International Airport's surplus equipment auction. This equipment can be used for various needs, including street sweeper, backhoe and snow removal. The amount to be spent will be limited to the budget of \$50,000, however, the items purchased will be based on availability at the time of the auction.

**Runway design (Phase 1 & 2):**

The Grand Junction Regional Airport Authority (Authority) began in 2016 a multi-year program to relocate the primary runway. The relocation is intended to minimize impacts to community air service while modernizing the runway, originally constructed in 1958. The most effective way to meet the current FAA design standards, maintain airport operations during construction, and reduce economic impacts by the project is to build a replacement runway north of the current runway's location. The Authority has received the second of multiple Airport Improvement Program (AIP) Grants from the Federal Aviation Administration (FAA) to continue this effort titled: Construct New Runway 11/29 (shifting 637 feet to the northwest): Preliminary Design-Phase II and Relocate 27 ¼ Road-Design Only. The project is listed on the Authority's approved Airport Layout Plan and Capital Improvement Plan. The proposed project will provide design to construct a new parallel Runway 11/29, meeting all FAA design standards, at a 637.5 foot offset to the existing Runway 11/29 centerline and a 900 foot shift to the northwest. The design will consist of designing airfield geometry, overall site grading and drainage, runway and taxiway pavement sections, utility installation and/or relocations, airfield security fencing, runway/taxiway electrical systems, and Navigational Aids (NAVAIDs). Cost estimates will be prepared using historically tabulated unit costs. All geometry was established in accordance with FAA Advisory Circular 150/5300-13A, Airport Design, for Airplane Design Group (ADG) IV aircraft. The proposed layout will be utilized to assist in determining pavement section quantities, earthwork quantities, and electrical and NAVAID locations and quantities.



The projects will be conducted as design only projects.

The project design will include detailed phasing in order to package the project in phases according to available funding for construction.

The total cost of phase 1 design is \$2,463,018 and phase 2 is \$2,405,444. The 2018 budget estimates 80% of phase 1 design will be completed in 2017 leaving a the remaining 20% or \$492,604 to be complete in 2018. The total of phase 2 expected to be completed in 2018.

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**East terminal apron:**

The project will replace concrete that has been deteriorated by alkali-silica reactivity (ASR) causing foreign object debris (FOD). The proposed reconstruction of the air carrier apron will improve approximately 48,000 square yards. The apron design will accommodate airport approach Category D, Design Group III (D-III) aircraft per AC 150/5300-13A, the project will incorporate a new deicing system.

The total cost of the east terminal apron is \$4,696,415 with an expectation that 50% will be completed in 2017, leaving the remaining 50% or \$2,348,208 to be completed in 2018.



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**RTR site work:**

Remote Transmitter/Receiver (RTR) are air-to-ground communications systems having transmitters and/or receivers and other ancillary equipment serving a terminal facility. These on-airport facilities allow radio communications between the pilot and ATCT. This project will

include the work necessary for the relocation of the RTR. The equipment is owned and maintained by the FAA, who will handle the design and construction of the new equipment. Additional work elements will include:

- Site grading
- Asphalt site access road design
- Commercial power supply
- Demolition of existing site, which will include hazardous material abatement
- FAA Fiber Optic Telecommunication System (FOTS) cable and duct bank from RTR to Airport Traffic Control Tower (ATCT)

The total cost of \$1,339,000 is estimated to be completed in 2018.



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**Realign County 27 ¼ Road:**

Realignment of 27 ¼ Road to the northwest to be located outside of the Runway Protection Zone (RPZ) of the replacement runway. Road will be in accordance with City of Grand Junction standards. The project will include approximately 7,700 feet of 2 lane road will need to be relocated. The road will move approximately 2,500 feet to the west of its current location, which is directly west of Runway 11/29. The 2018 budget estimates a total project cost of \$5,000,000.





#### **Rehabilitate taxiway A (east and west ends):**

This project will involve a mill and overlay of end portions of Taxiway A. The current average Pavement Condition Index (PCI) number associated with these surfaces is 38, this number comes from a survey completed by the Colorado Division of Aeronautics in 2016 and is on a scale of 0-100. The areas identified for repair based on risk for foreign object debris (FOD) damage.



#### **Taxiway A- East Hold Bar Area (Wind Cone to Runway 22)**

This area has the highest priority for repair. The area received a seal coat in 2016, however, this treatment is only an interim treatment to try and maintain its current condition. This is a busy intersection used by nearly all traffic in the afternoon at the airport. The area has significant rutting and shows signs of pavement failure with alligator cracking and spalling. This area poses a significant risk to aircraft due to the

rutting, especially for traffic crossing the area in a perpendicular direction to and from taxiway C. Additionally, there is risk of failure as heavy aircraft stop and idle in this area on a regular basis.

#### Taxiway A - Holding Area for Runway 11 End

This area has a high priority for repair. This is a busy intersection used by nearly all traffic in the morning at the airport. The area received a seal coat in 2016, however this treatment is only an interim treatment to try and maintain its current condition. The area has significant alligator cracking on the centerline and shows signs of pavement failure on aircraft wheel paths. There is risk of failure in this area as heavy aircraft stop and idle in this area on a regular basis.

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#### Funding Source

The funding source of the operating capital improvements will be excess cash received from the operating revenue over operating expenses along with available operating cash balances. Additionally, during 2016 the Airport refunded the 2007 Revenue Bonds with the 2016 Revenue Bonds. See the Funding Sources following the AIP capital projects detail below for additional discussion.

#### **Federal Grants**

The Federal Aviation Administration through the Airport Improvement Program (AIP) provides grants for the planning and development of public use airports designated as important to the National Airspace System in the National Plan of Integrated Airport Systems. Grand Junction Regional Airport Authority is a political subdivision of the state of Colorado. The Grand Junction Airport receives AIP grants that cover 90 percent of eligible costs. There are two categories of AIP funding, discretionary and entitlement. The entitlement funding is a calculation based on the airport type and enplaned passengers, Grand Junction Airport is classified as a non-hub primary airport. This qualifies the Airport for the following entitlements:

1. Passenger entitlements – the amount of funding is based on passenger enplanements with a minimum required annual funding of \$650,000.
2. Small airport fund – this is not an actual stand-alone set-aside fund, it is merely a calculation to ensure that a required level of discretionary is used on small airports.
3. Cargo entitlements – this funding is based on the airport's share of total U.S. landed cargo weight.

Discretionary funding is the remainder of AIP after entitlement distributions and is available based upon need and project priority as determined by the FAA.

#### **State Grants**

In addition to FAA AIP grant funding, the Airport receives grants from the state of Colorado to support AIP projects (matching funds) and other projects not eligible for AIP funding. AIP matching funds from the state is generally 5% of the total project cost, however the amount of funding is determined on an annual basis by the state. The current projected state funding is limited to \$125,000 per year through 2020. Other grant projects funded by the state vary in

funding, up to 100% funded.

### **State Infrastructure Bank (SIB) Loan Program**

As a public use Airport and a State agency (political subdivision) the Authority is able to borrow money from the SIB to fund projects that benefit the infrastructure of the State. A wide variety of projects are available for this program.

### **Passenger Facility Charges (PFC)**

The PFC program allows a public agency, or in the case of Grand Junction Airport, political subdivision, that controls at least one commercial service airport to impose a fee for paying passengers of an air carrier enplaned at the airport. This revenue finances eligible airport projects. The air carriers and their agents are required to collect the PFC's imposed by the airport and remit those charges, less a handling fee, to the airport.

### **Airport Operations**

The fees and charges to the airport users are designed to recover the cost of operating the airport and to provide a portion of the resources necessary for the capital improvement and replacement of airport assets. FAA regulations require that any reserves accumulated must be used for airport purposes.

### **2016 Revenue Bonds**

The 2016 Revenue Bonds are comprised of refunding the 2007 Revenue Bonds and \$9,000,000 of new money. The new money designated used is for the Terminal Building Rehab and the 2013 Project rehab as discussed in the Operating Capital Improvement Projects above. Additional 2016 Revenue Bond detail can be found in the Debt Principal Payments section.

### *Debt Principal Payments*

### *Legal Debt Limit*

In November 1992, the Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment excludes enterprises from its provisions. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of the amendment. It is the Authority's opinion that it qualifies for the exclusion and is, therefore, excluded from the provisions of the amendment. The Authority has not budgeted issuing additional debt in 2017.

### *Revenue Bonds*

The Airport issued the 2016 Revenue Bonds on November 22, 2016 in the amount of \$19,670,000 for the purpose of refunding the remaining 2007 Revenue Bonds and to establish a \$9,000,000 project fund for terminal projects. The debt service will be paid from operating income and offset by passenger facility charges. Interest on the bonds is payable on June 1 and

December 1, commencing on June 1, 2017; principal is payable on December 1, commencing on December 1, 2017. The debt service requirements to maturity are as follows:

For the year ending December 31,	Principal	Interest	Total
2017	645,000	863,416	1,508,416
2018	680,000	827,523	1,507,523
2019	695,000	810,183	1,505,183
2020	715,000	790,375	1,505,375
2021	735,000	767,850	1,502,850
2022-2036	16,200,000	6,357,924	22,557,924
Total	\$19,670,000	\$10,417,271	\$30,087,271

#### Colorado State Infrastructure Bank Note

The Authority borrowed \$4,000,000 from the Colorado State Infrastructure Bank on May 29, 2009 for the purpose of funding complete reconstruction of the Rental Car Parking Lot. This included construction and installation of all supporting infrastructure and the design phase of the vehicle service area. The note is secured by a rental car facility fee. The note carries an interest rate of 3% and is to be paid in quarterly installments of principal and interest of \$116,122 through June 2019. The debt service requirements to maturity are as follows:

For the year ending December 31,	Principal	Interest	Total
2018	449,158	14,221	463,379
2019	229,673	2,004	231,677
	\$678,831	\$16,225	\$695,056

#### Impact of Capital Expenditures on Operating Budget

The capital expenditures and the related annual debt service required to be paid on the existing debt will have an impact on the 2017 operating budget and projected 2018 – 2020, showing a net reduction in cash for 2017 – 2019 and a slight increase in cash starting in 2020. The 2016 revenue bonds reduced the debt service by approximately \$300,000 over the next 10 years, and the \$9,000,000 project fund along with the cash balances are adequate to finance the capital expenditures and maintain the proper debt service coverage as required by the 2016 revenue bonds. The cash balance assumes a 9 month cash reserve as determined by the operating expense budget.

#### Bond Rating

The initial Moody's insured rating for the 2016 Revenue Bonds was A3 (underlying Baa2).

#### Moody's Long-Term Rating Definitions:

<i>Aaa</i>	Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.
<i>Aa</i>	Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.
<i>A</i>	Obligations rated A are considered upper-medium grade and are subject to low credit risk.
<i>Baa</i>	Obligations rated Baa are subject to moderate credit risk. They are considered



	medium-grade and as such may possess certain speculative characteristics.
<i>Ba</i>	Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk.
<i>B</i>	Obligations rated B are considered speculative and are subject to high credit risk.
<i>Caa</i>	Obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.
<i>Ca</i>	Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
<i>C</i>	Obligations rated C are the lowest rated class of bonds and are typically in default, with little prospect for recovery of principal or interest.

Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

#### *Other*

The amount in the Other category 2016 actual is for a reimbursement to the FAA for ineligible costs from a project that was completed in 2012. The 2017 forecast includes final legal settlement on claims made in previous years.

## FINANCIAL POLICIES

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The overall goal of the Airport's financial policies is to establish and maintain effective management of the Airport's financial resources. Formal policies adopted by the Board provide the foundation for achieving this goal, compliance is reviewed by the Finance and Audit Committee along with the Compliance Committee. Accordingly, this section outlines the policies used in guiding the preparation and management of the Airport's overall budget and the major objectives to be accomplished.

### BUDGET DEVELOPMENT & ADMINISTRATION

- A comprehensive annual budget will be prepared for all funds expended by the Airport. The board of commissioners shall have full authority over the financial affairs of the Airport and shall provide directives for the collection of all revenue and other assets, the auditing and settlement of accounts, and the safekeeping and disbursement of public monies and in the exercise of a sound discretion shall make appropriations for the payment of all liabilities and expenses. The budget enables the board, the administration, and the public to consider all financial aspects of the Airport when preparing, modifying, and monitoring the budget.
- The budget will be prepared in such a manner as to facilitate its understanding. One of the stated purposes of the budget is to present a picture of the Airport operations and intentions. Presenting a budget document that is understandable furthers the goal of effectively communicating financial issues.
- The budget will provide for adequate maintenance of capital and equipment and for their orderly replacement. All governmental entities experience prosperous times as well as periods of economic decline. In periods of economic decline, proper maintenance and replacement of capital and equipment is generally postponed or eliminated as a first means of balancing the budget. Recognition of the need for adequate maintenance and replacement of capital and equipment, regardless of the economic conditions, will assist in maintaining the equipment and infrastructure in good operating condition.
- The Airport will avoid budgetary practices that balance current expenditures at the expense of meeting future years' expenses. Budgetary practices such as postponing capital expenditures, accruing future years' revenues, or rolling over short-term debt are budgetary practices which can solve short-term financial problems. However, they can create much larger financial problems for future administrations and councils. Avoidance of these budgetary practices will assure that current problems are not simply being delayed to a future year.
- The Airport will maintain a budgetary control system to help it adhere to the established budget. The budget passed by the board of commissioners establishes the legal spending limits for the Airport. A budgetary control system is essential in order to ensure legal compliance with the Airport's budget.
- The Airport will exercise budgetary control (maximum spending authority) through board approval and exercise of the purchasing and procurement policy.



- Reports comparing actual revenues and expenditures to budgeted amounts will be prepared monthly.
- The Airport's budget is ineffective without a system to regularly monitor actual spending and revenue collections with those anticipated at the beginning of the year. Monthly reports comparing actual revenues and expenditures to budget amounts provide the mechanism for the board and the administration to regularly monitor compliance with the adopted budget.

## REVENUE COLLECTION

- The Airport will estimate revenues in a realistic and conservative manner. Aggressive revenue estimates significantly increase the chances of budgetary shortfalls occurring during the year--resulting in either deficit spending or required spending reductions. Realistic and conservative revenue estimates, on the other hand, will serve to minimize the adverse impact of revenue shortfalls and will also reduce the need for mid-year spending reductions.
- The Airport will aggressively pursue opportunities for federal or state grant funding. An aggressive policy of pursuing opportunities for federal or state grant funding provides assurance that the Airport is striving to obtain all state and federal funds to which it is entitled.
- Rates and charges will be used and implemented in a manner that is equitable to all users of the Airport. The rates and charges will be reviewed annually to ensure costs associated with the service are being adequately reimbursed to the Airport on a cost recovery basis.

## EXPENDITURES

- On-going operating expenditures will be limited to levels which can be supported by current revenues. Utilization of reserves to fund on-going operating expenditures will produce a balanced budget, however, this practice will eventually cause severe financial problems. Once reserve levels are depleted, the Airport would face elimination of on-going costs in order to balance the budget. Therefore, the funding of on-going operating expenditures will be limited to current revenues.
- Minor capital projects or recurring capital projects, which primarily benefit current residents, will be financed from current revenues. Minor capital projects or recurring capital projects represent relatively small costs of an on-going nature, and therefore, should be financed with current revenues rather than utilizing debt financing. This policy also reflects the view that those who benefit from a capital project should pay for the project.
- Major capital projects will be financed with current revenues as well as other financing sources (e.g. debt financing) as needed. Debt financing provides a means of generating sufficient funds to pay for the costs of major projects. Major capital expenditures contemplated by a reserve policy may be used for such expenditures.
- Construction projects and capital expenditures of \$2,500 or more will be included in capital projects; minor capital outlays of less than \$2,500 will be included in the regular

operating budget. The capital projects differentiates the financing of high cost long-lived physical improvements from low cost "consumable" equipment items contained in the operating budget. Capital project items may be funded through debt financing or current revenues while operating budget items are annual or routine in nature and should only be financed from current revenues.

#### DEBT ADMINISTRATION

- The Airport will limit long-term debt to capital improvements which cannot be financed from current revenues. Excess reliance on long-term debt can cause debt levels to reach or exceed the Airport's ability to pay. Therefore, conscientious use of long-term debt will provide assurance the Airport will be able service the debt obligations.
- The Airport will repay borrowed funds, used for capital projects, within a period not to exceed the expected useful life of the project. Adherence to this will also help prevent the Airport from over-extending itself with regard to the incurrence of future debt.
- The Airport will not use long-term debt for financing current operations.
- The Airport will adhere to a policy of full public disclosure with regard to the issuance of debt. Full public disclosure with regard to the issuance of debt provides assurance that the incurrence of debt is based upon a genuine need.

#### FINANCIAL REPORTING & ACCOUNTING

- The Airport's records are maintained on the accrual basis of accounting and economic resource measurement focus in accordance with GAAP, including all applicable statements of the Governmental Accounting Standards Board ("GASB"). Revenue is recognized when earned, and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets. When both restricted and unrestricted resources are available for use, it is the Airport's policy to use restricted resources first with the exception of the debt service on the revenue bonds that is paid partially from the restricted passenger facility charges and partially from operating funds. The operations of the Airport are accounted for on a fund basis in a single fund. Enterprise funds may be used to account for operations (a) that are financed and operated in a manner similar to business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or changes in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
- The Airport's budgeting process is a financial planning tool used to establish the estimated revenues and expenditures for the Airport. The budget is prepared by the Authority and approved by the Board in accordance with Colorado Revised Statutes. The initial budget is submitted to the Board by October 15th and the Authority adopts an appropriation resolution for the next fiscal year by December 31st. The Board may

amend the appropriation resolution at any time during the year if warranted by circumstances. As previously stated, the budget basis of accounting differs from the GAAP basis in that debt proceeds are included as revenue, outlays for acquisition of capital assets and debt principal payments are included as expenditures, and depreciation is not included in expenditures.

- The Airport will ensure the conduct of timely, effective, and annual audit coverage of all financial records in compliance the Local, State, and Federal law. Audits of the Airport's financial records provide the assurance that its funds are being expended in accordance with Local, State, and Federal law and in accordance with Generally Accepted Accounting Principles. Audits also provide management and the board with suggestions for improvement in its financial operations from independent experts in the accounting field.
- The Airport will maintain a policy of full and open public disclosure of all financial activity. Full and open public disclosure of all financial activity provides the assurance that financial matters are being communicated properly.

## RATES & CHARGES

As previously discussed in the operating revenue section, the rates and charges determine certain revenue line items. The following is a summary of the Airport's rates and charges:

Landing fee for aircraft $\geq$ 12,500 pounds	\$1.70 per pound
Airline Shared Space	\$80,000 per month (approximately)
Exclusive Lease Space	\$30.30 per square foot
Ground Transportation	10% of revenue per pickup and/or drop off
Fuel Flowage	\$0.1017 per gallon
Rental Car Service Area – Ground	\$0.1847 per square foot
Rental Car Service Area – Building	\$4.7832 per square foot
SIDA Badge Fee (maximum)	\$85
AOA Badge Fee (maximum)	\$35
Parking Violation	\$25
Parking (maximum)	\$10 per day
Billable Staff Time	\$30 - \$70 per hour

## BUDGET AMENDMENTS

Colorado Revised Statutes 29-1-109. Changes to budget - transfers - supplemental appropriations. (1) (a) If, after adopting the budget and making appropriations, the governing body of a local government deems it necessary, it may transfer appropriated moneys between funds or between spending agencies within a fund, as determined by the Colorado Revised Statutes 2013 6 Title 29 original appropriation level, in accordance with the procedures established in subsection (2) of this section. (b) If, after adoption of the budget, the local government receives unanticipated revenues or revenues not assured at the time of the adoption of the budget from any source other than the local government's property tax mill levy, the governing body may authorize the expenditure of such funds by enacting a

supplemental budget and appropriation. (c) In the event that revenues are lower than anticipated in the adopted budget, the governing body may adopt a revised appropriation ordinance or resolution as provided in section 29-1-108. (2) (a) Any transfer, supplemental appropriation, or revised appropriation made pursuant to this section shall be made only by ordinance or resolution which complies with the notice provisions of section 29-1-106. (b) For transfers, such ordinance or resolution shall set forth in full the amounts to be transferred and shall be documented in detail in the minutes of the meeting of the governing body. A certified copy of such ordinance or resolution shall be transmitted immediately to the affected spending agencies and the officer or employee of the local government whose duty it is to draw warrants or orders for the payment of money and to keep the record of expenditures as required by section 29-1-114. A certified copy of such ordinance or resolution shall be filed with the division. (c) For supplemental budgets and appropriations, such ordinance or resolution shall set forth in full the source and amount of such revenue, the purpose for which such revenues are being budgeted and appropriated, and the fund or spending agency which shall make such supplemental expenditure. A certified copy of such ordinance or resolution shall be filed with the division.

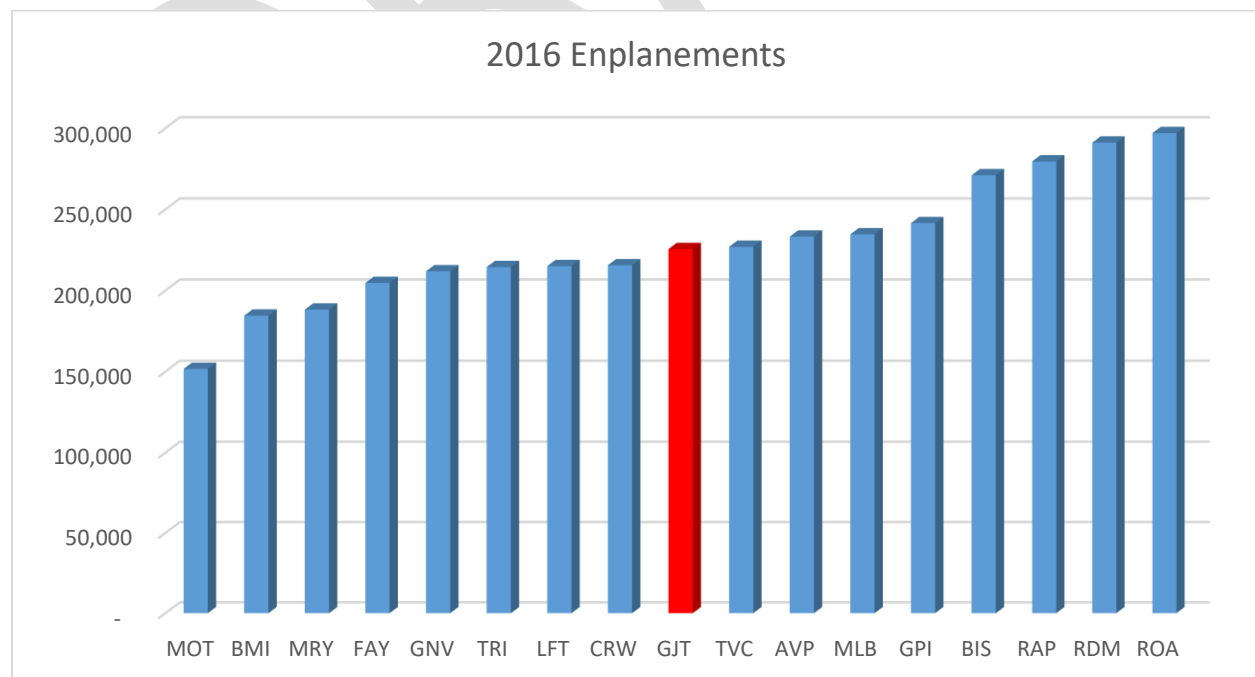
## PERFORMANCE INDICATORS

### OVERVIEW

The following performance indicators are a selection of the various operational and financial metrics. The airports used for comparisons were selected based on the number of annual enplaned passengers for the fiscal year ended 2016. The information used in Performance Indicators was obtained from the Compliance Activity Tracking System (CATS)

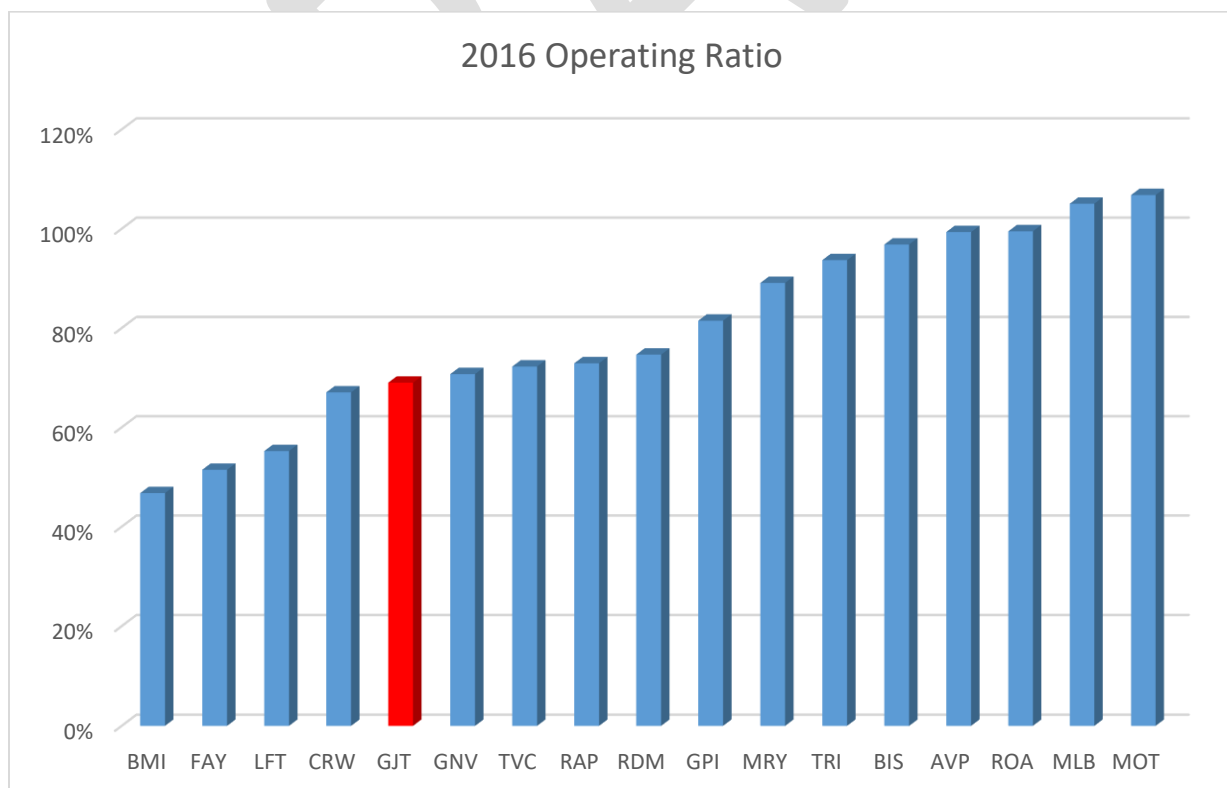
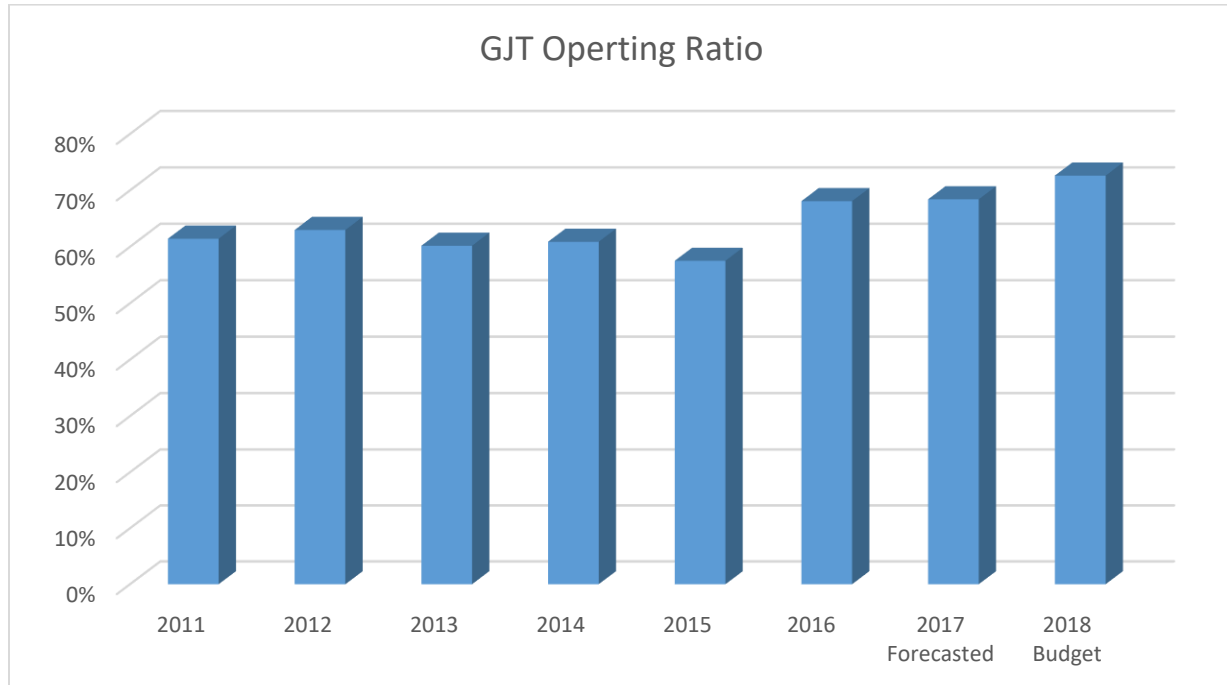
<http://cats.airports.faa.gov/> using the FAA Form 127 information.

Airport ID	Airport Name	State	Enplanements
MOT	Minot Intl	ND	151,700
BMI	Central Illinois Regional	IL	184,494
MRY	Monterey Peninsula	CA	188,242
FAY	Fayetteville Regional	NC	204,677
GNV	Gainesville Regional	FL	211,848
TRI	Tri-Cities Regional TN/VA	TN	214,413
LFT	Lafayette Regional	LA	215,024
CRW	Yeager	WV	215,556
GJT	Grand Junction Regional	CO	225,504
TVC	Cherry Capital	MI	226,907
AVP	Wilkes-Barre /Scranton Intl	PA	233,244
MLB	Melbourne Intl	FL	234,604
GPI	Glacier Park International	MT	241,522
BIS	Bismarck Muni	ND	271,022
RAP	Rapid City Regional	SD	279,558
RDM	Roberts Field	OR	291,158
ROA	Roanoke Regional	VA	297,008



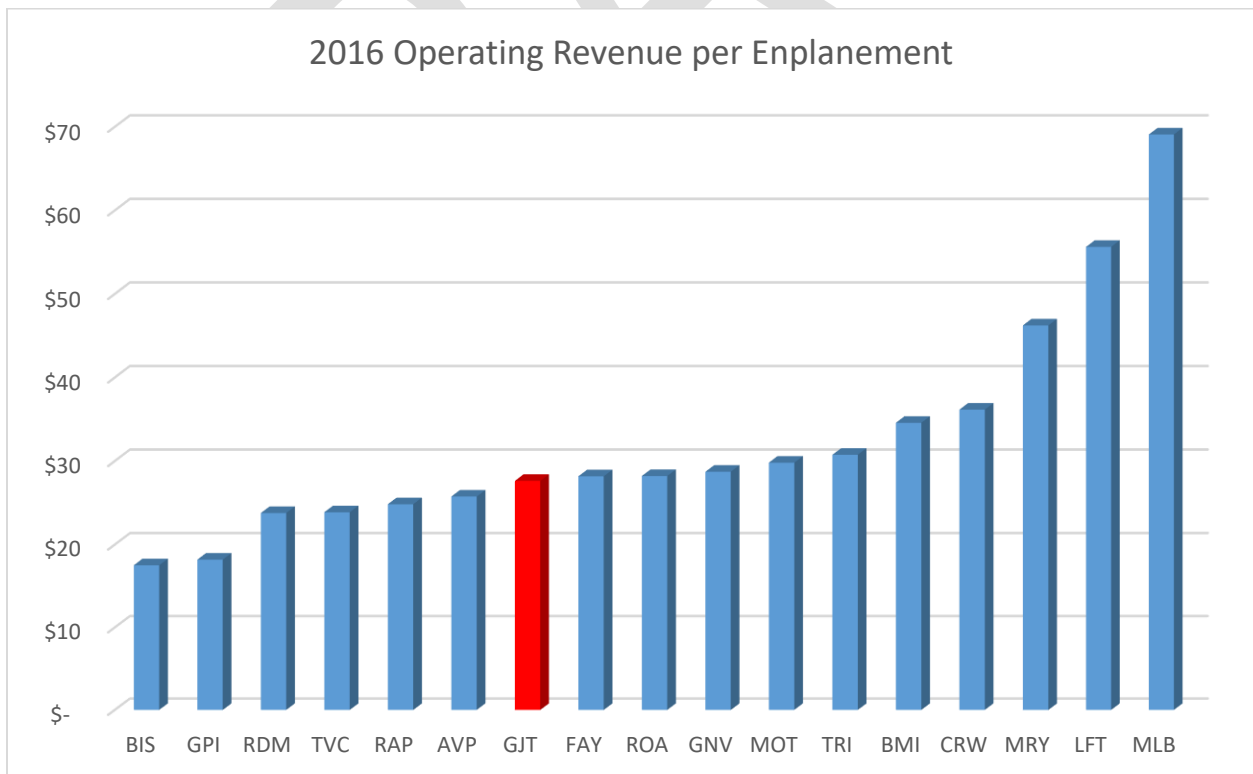
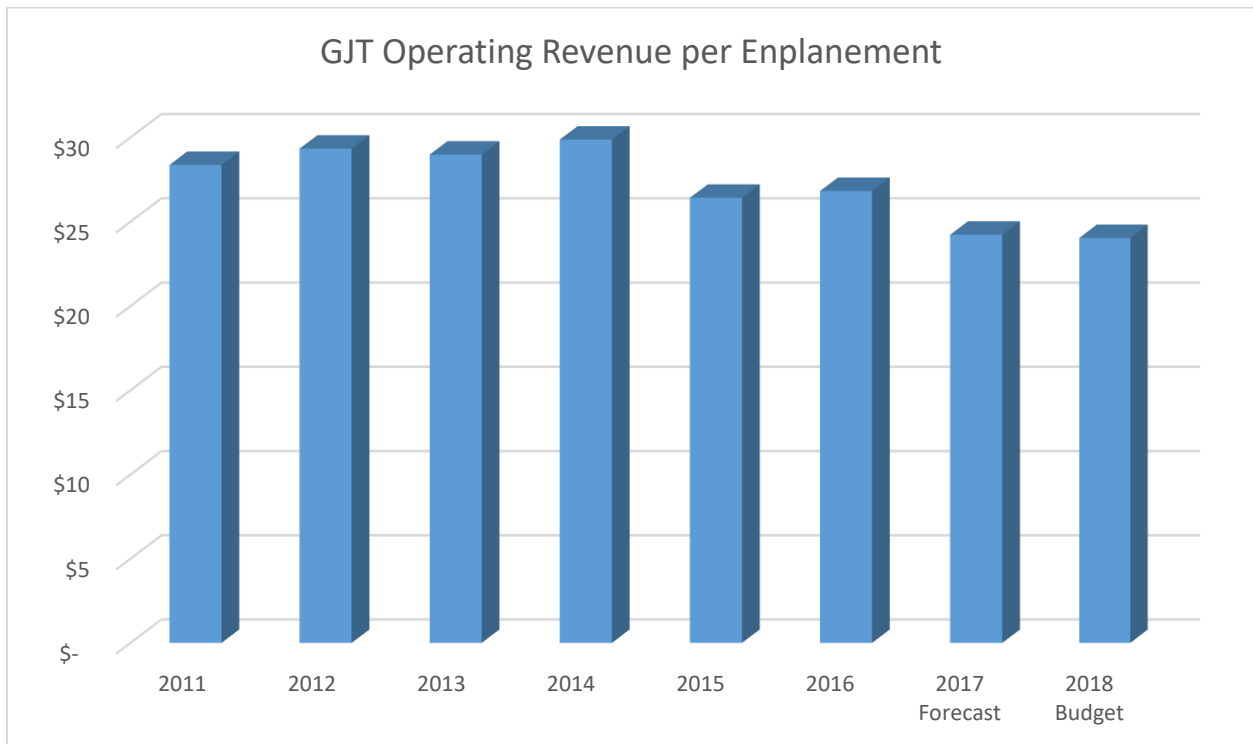
## OPERATING RATIO

This is a measure of operating efficiency that compares operating expense to operating revenue. Operating revenue must exceed operating expenses to provide a financial cushion and cover debt service expenses.



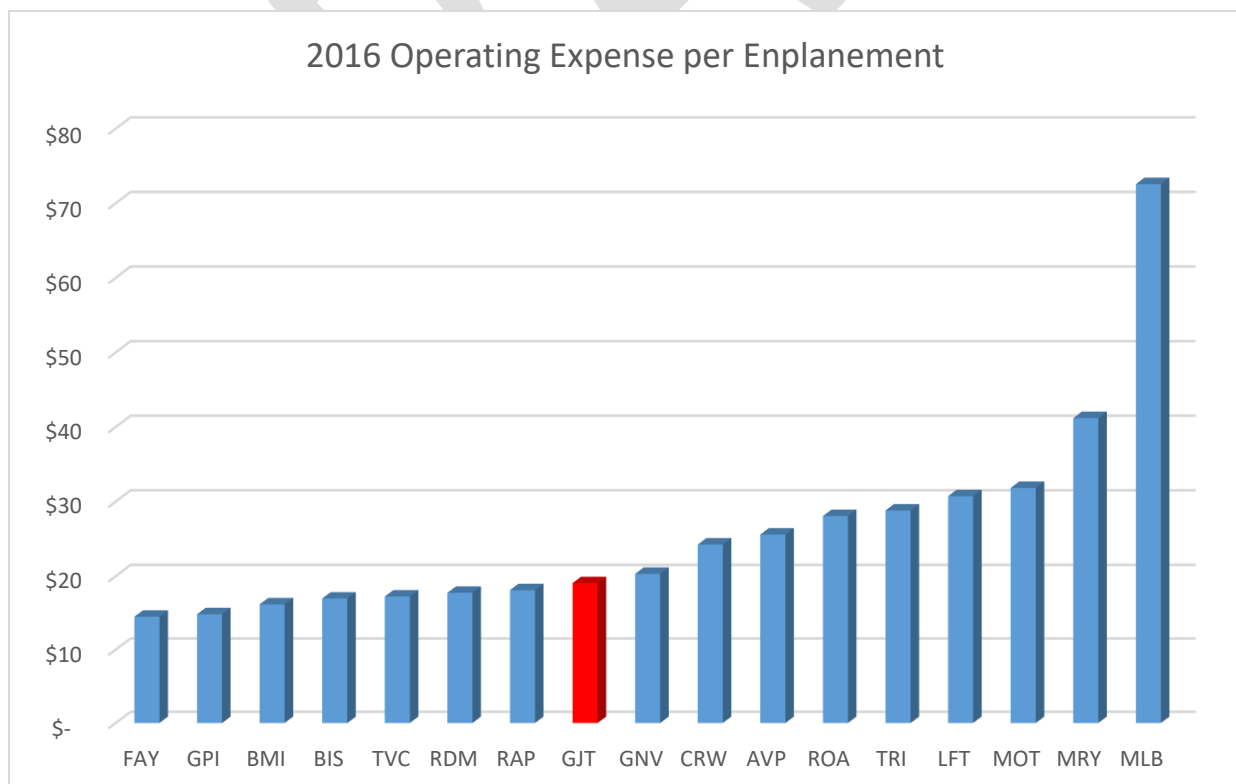
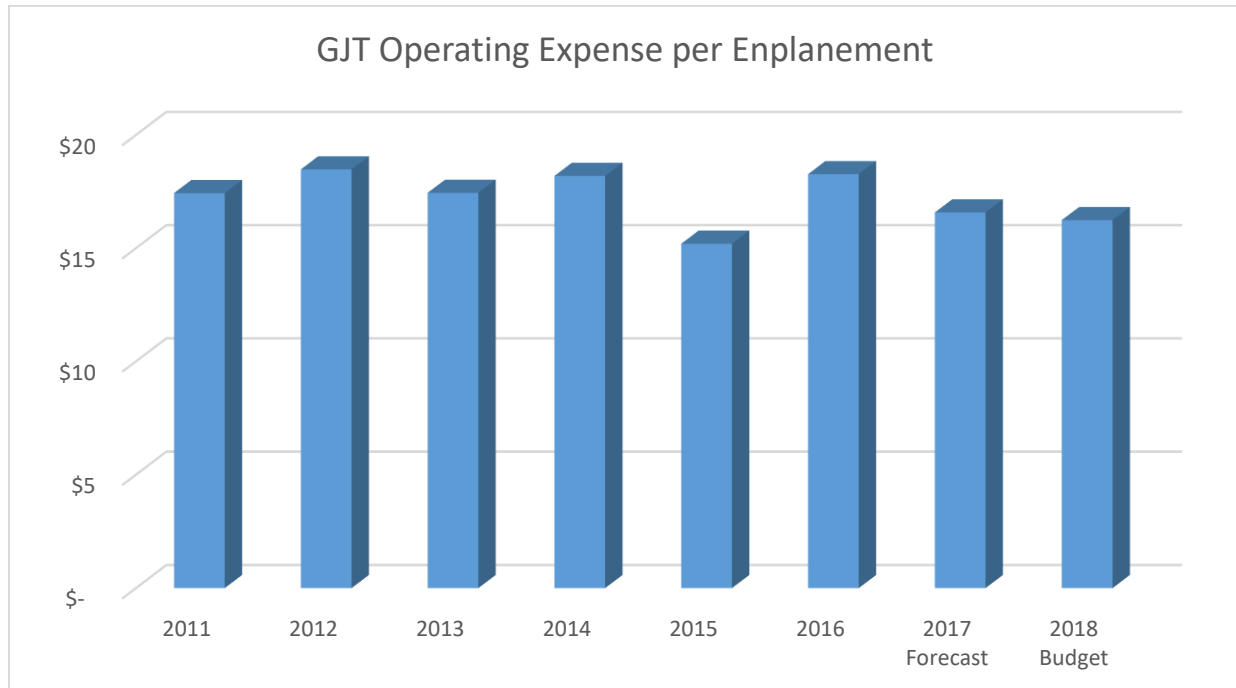
## OPERATING REVENUE PER ENPLANEMENT

This is a measure of operating revenues per enplaned passenger.



## OPERATING EXPENSE PER ENPLANEMENT

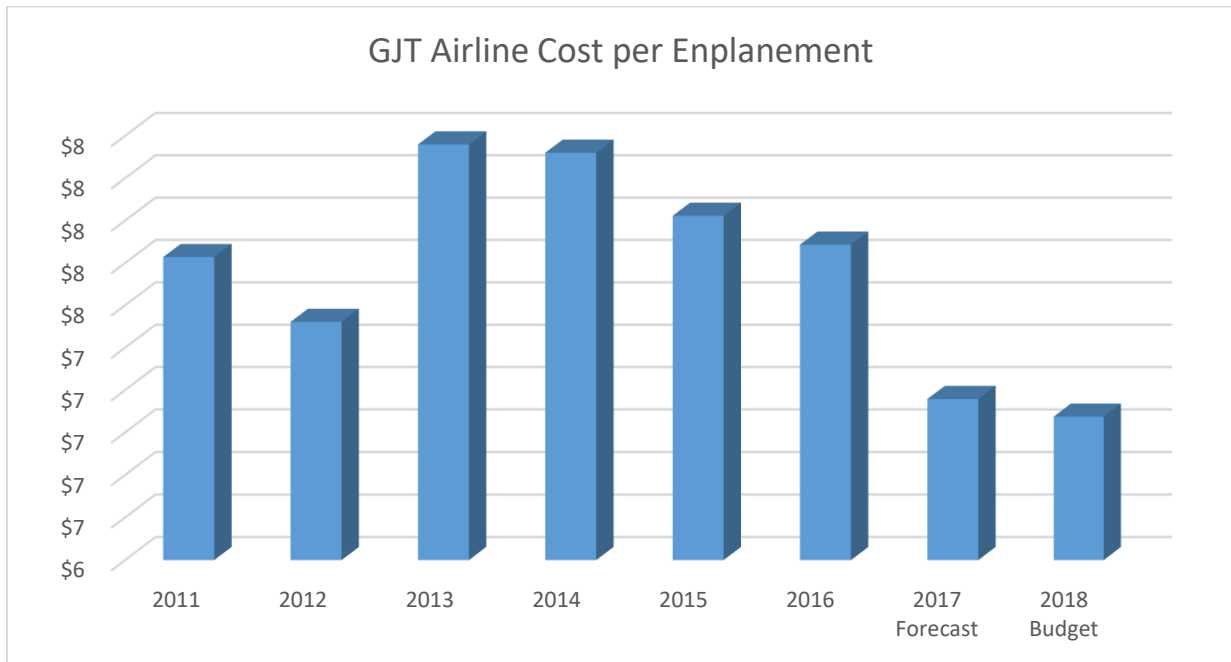
This divides operating expenses by enplanement and measures the relative operating efficiency.





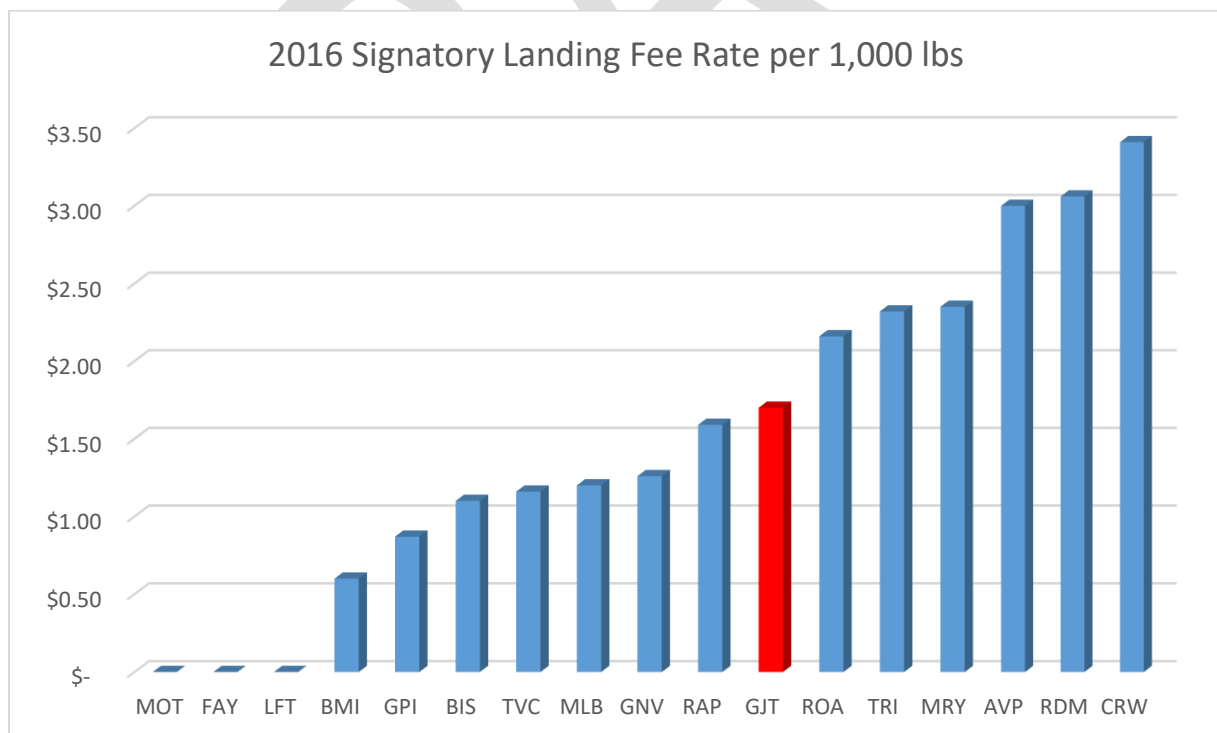
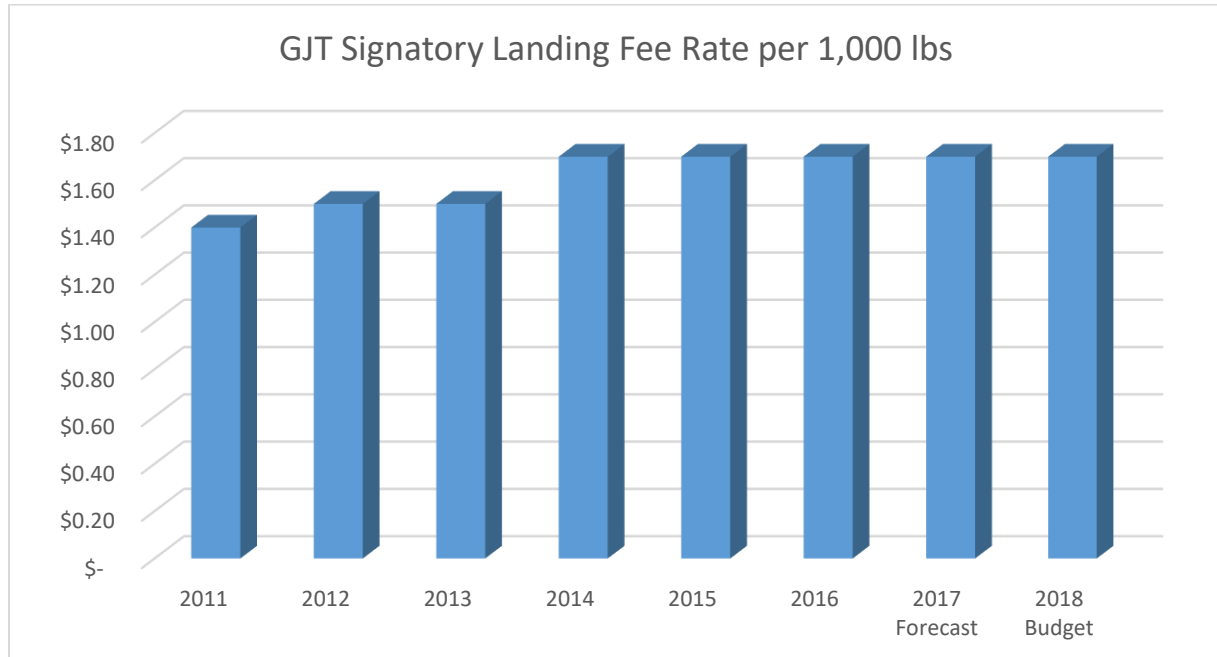
## AIRLINE COST PER ENPLANEMENT

Airline cost per enplanement is the total annual costs paid by the airlines divided by the total fiscal year enplanements.



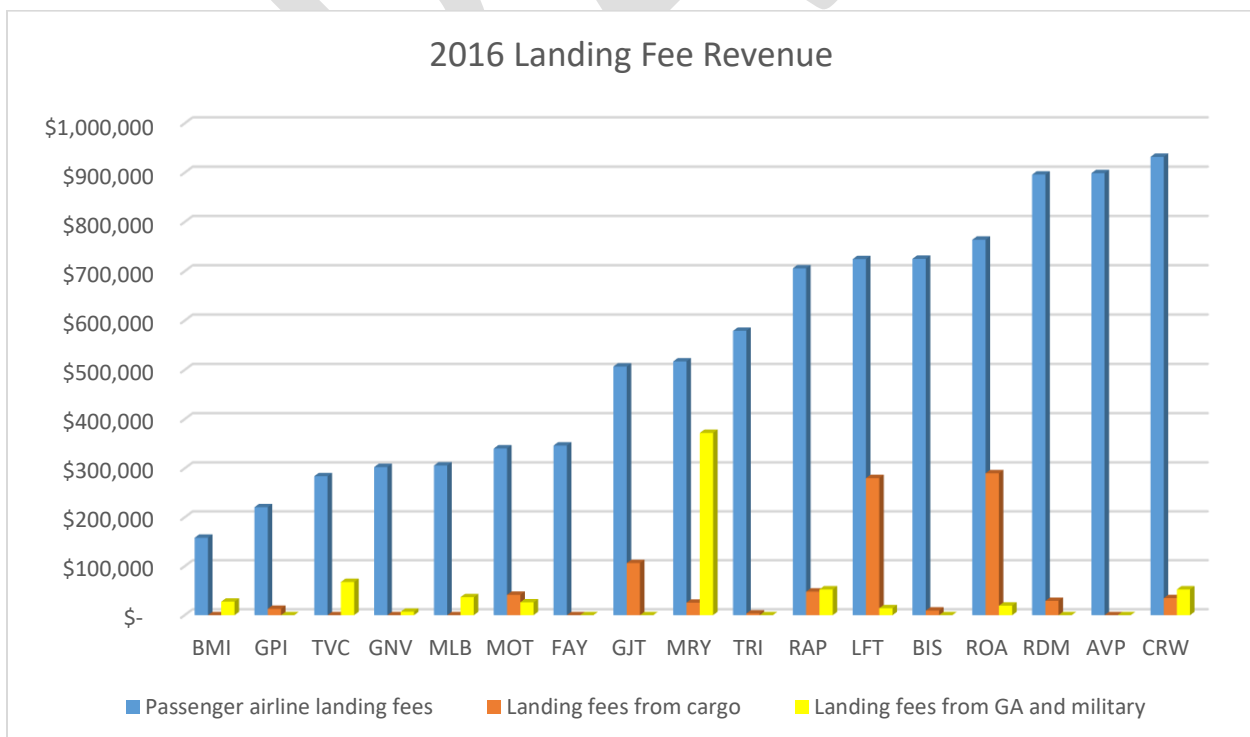
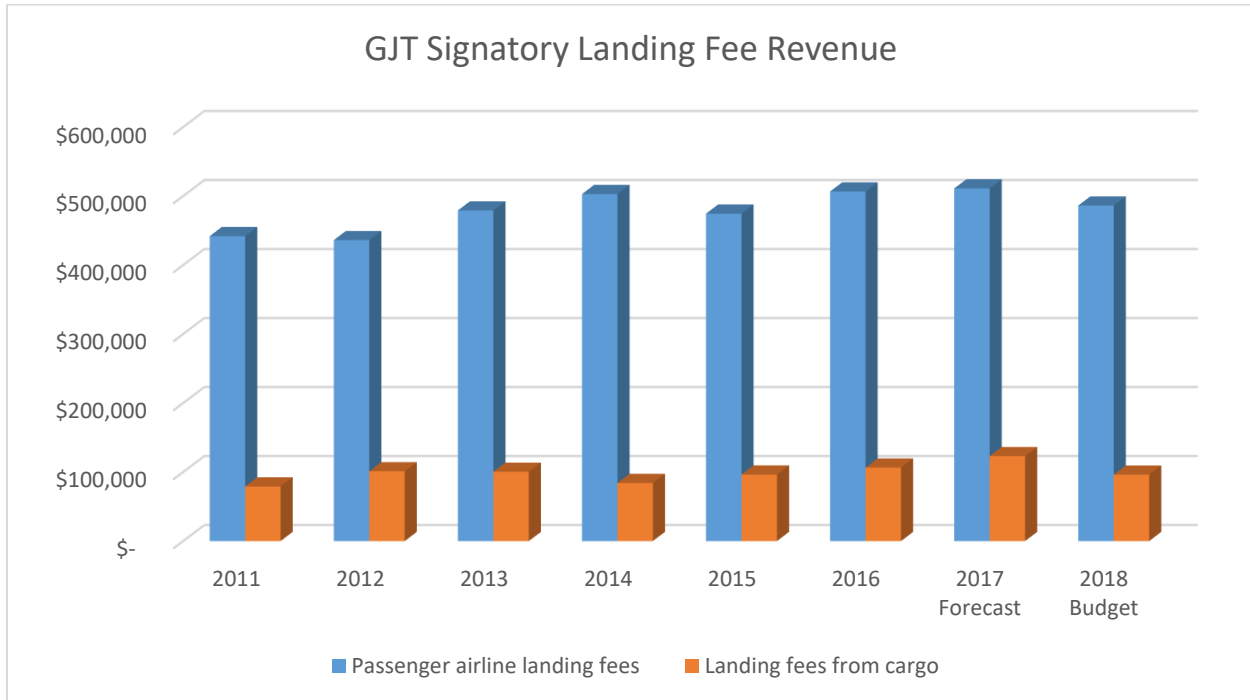
## LANDING FEE RATE

The landing fee rate the airport charges passenger and cargo carriers for commercial aircraft landings at the airport, some airports charge landing fees on general aviation and military flights.



## LANDING FEE REVENUE

Revenues from passenger and cargo carriers for commercial aircraft landings at the airport by applying the landing fee rate per 1,000 pounds of aircraft weight, some airports charge landing fees on general aviation and military flights.



## USEFUL TERMS (GLOSSARY)

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### DEFINITIONS

**ACCOUNT:** An organizational or budgetary breakdown found within budget. Each department serves a specific function as a distinct organizational unit. Its primary purpose is to facilitate organizational and budgetary accountability. A term used to identify an individual asset, liability, expenditure (and other uses), revenue (and other sources), or fund balance.

**ACCOUNTS PAYABLE:** Amounts owed to others for goods or services received.

**ACCOUNTS RECEIVABLE:** Amounts due from others for goods furnished or services rendered.

**ACCOUNTING SYSTEM:** The total set of records and procedures which are used to record, classify and report information on financial status and operations of an entity.

**ACCRUAL BASIS OF ACCOUNTING:** The method of accounting under which revenues are recorded when they are earned and expenditures are recorded when goods and services are received.

**ACTIVITY:** A specific and distinguishable line of work performed by one or more organizational components of a department for the purpose of accomplishing a function for which the department is responsible. For example "Tower Repairs & Maintenance" is an activity performed in the "Buildings & Land" department.

**ADOPTION:** Formal action taken by the Board of Commissioners to authorize or approve the budget.

**AIRCRAFT RESCUE AND FIREFIGHTING (ARFF):** A special category of firefighting that involves the response, hazard mitigation, evacuation and possible rescue of passengers and crew of an aircraft (typically) involved in an airport ground emergency.

**AIRPORT IMPROVEMENT PROGRAM (AIP):** The FAA's Airport Improvement Program (AIP) provides both entitlement and discretionary grants for eligible airport projects. This program, authorized periodically by Congress, distributes the proceeds of the federal tax on airline tickets to airports, through grants, for eligible construction projects and land acquisition.

**APPROPRIATION:** An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is limited in amount to the time it may be expended.

**ASSETS:** Property owned by a governmental unit, which has a monetary value.

**AUDIT:** The examination of documents, records, reports, systems of internal control, accounting and financial procedures, and other evidence for one or more of the following purposes: a) To attest to whether the statements prepared from the accounts present fairly the financial position and the results of financial operations of the constituent funds and balanced account groups of the governmental unit in accordance with generally accepted accounting principles applicable to governmental units and on a basis consistent with that of the preceding year; b) To determine the propriety, legality and mathematical accuracy of a governmental unit's financial transactions; c) To ascertain whether all financial transactions have been properly recorded; d) To evaluate the stewardship of public officials who handle and are responsible for the financial resources of a governmental unit.

**BALANCED BUDGET:** A budget in which estimated revenues equal estimated expenditures including operating transfers. No budget adopted shall provide for expenditures in excess of available revenues and beginning fund balances.

**BOND:** A written promise, generally under seal, to pay a specified sum of money, called the face value or principal amount, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, usually payable periodically.

**BONDED INDEBTEDNESS:** Outstanding debt by issues of bonds, which are repaid by revenue.

**BUDGET:** A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

**BUDGET DOCUMENT:** The official written statement prepared by the Finance Department which presents the proposed budget to the Board of Commissioners.

**BUDGET BODY MESSAGE:** A general discussion of the proposed budget presented in writing as a part of the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the Airport Staff.

**BUDGET CALENDAR:** The schedule of key dates, which a government follows in the preparation and adoption of the budget.

**BUDGETARY CONTROL:** The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitation of available appropriations and available revenues.

**CAPITAL ASSETS:** Assets with a value of \$2,500 or more and a useful life of more than one reporting period.

**CAPITAL EXPENDITURES:** A capital expenditure occurs when a capital asset is purchased. Capital assets are used in operations and have initial useful lives extending beyond a single

reporting period. These assets must also meet capitalization thresholds, which vary by asset classification and typically costs more than \$2,500. Land, improvements to land, vehicles, machinery, equipment, infrastructure and other tangible and intangible assets used in operations are examples of capital assets. Expenditures that do not benefit more than one reporting period or meet the capitalization thresholds are classified a current expenditure.

**CAPITAL IMPROVEMENT BUDGET:** A plan of proposed capital expenditures and a means of financing them. The capital budget is enacted as part of the complete annual budget.

**CASH BASIS:** The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

**CHART OF ACCOUNTS:** The classification system used by a government entity to organize the accounting for various funds.

**CONSUMER PRICE INDEX (CPI):** A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e. economic inflation).

**CONTINGENCY:** Budget for expenditures which cannot be placed in departmental budgets, primarily due to uncertainty about the level or timing of expenditures when the budget is adopted. The contingency also serves as a hedge against shortfalls in revenues or unexpected expenditures.

**CURRENT:** A term which, applied to budgeting and accounting, designates the operations of the present fiscal period as opposed to past or future periods.

**CUSTOMER FACILITY CHARGE (CFC):** Airport-required fees collected by car rental agencies and used to fund new car rental facilities.

**DEBT:** An obligation resulting borrowing money or purchasing goods and services.

**DEBT LIMIT:** The maximum amount of gross or net debt, which is legally permitted.

**DEBT SERVICE FUND:** A fund type used to account for the accumulation of resources and for the payment of general long-term debt principal and interest.

**DEPARTMENT:** Basic organizational unit of government, responsible for carrying out related functions.

**DEPRECIATION:** Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

**ENPLANED PASSENGER (ENPLANEMENT):** Any revenue passenger boarding an aircraft at the

Airport, including any passenger that previously disembarked from another aircraft.

**ENTERPRISE FUND:** A proprietary fund type used to report an activity for which a fee is charged to external users for goods or services. In theory, these funds operate in a manner similar to private business enterprises, where the intent of the governing body is to recover the cost of delivering services through user fees or charges.

**EXPENDITURE:** Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payment have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

**FISCAL POLICY:** A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal Policy provides an agreed-upon set of principles for the planning and programming of budgets and their funding.

**FISCAL YEAR:** The budget and accounting year that begins on the first day of January and ends on the last day of December of each year.

**FIXED BASE OPERATOR:** Those commercial businesses, at the Airport, authorized by the Authority to sell aviation fuels and provide other aviation-related services, primarily to General Aviation.

**FULL TIME EQUIVALENT (FTE):** The number of employee hours (2,080) needed to be equal to one full time employee. Several part time employees may be combined to make one FTE.

**FUND BALANCE:** Governmental fund assets minus liabilities (equity).

**GENERAL AVIATION:** The activities of privately owned aircraft that are not used for commercial purposes, such as the movement of passengers or freight.

**GOVERNMENTAL ACCOUNTING:** The composite of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governmental units and agencies.

**GRANT:** A contribution of assets by one governmental unit or other organization to another. Grants are usually made for specified purposes.

**INFRASTRUCTURE:** Assets which are immovable and of value only to the governmental unit (i.e. runways, taxiways, apron, etc.).

**LINE ITEM:** A specific item or group of similar items defined by detail in a unique account in the financial records.

**LONG-TERM DEBT:** Debt with a maturity of more than one year after the date of issuance.

**MARKET VALUE:** The value a property is worth.

**MISCELLANEOUS:** Revenues or expenditures not classified in any other revenue or expenditure category.

**MODIFIED ACCRUAL BASIS:** The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash except for material and/or available revenues, which should be accrued to reflect properly the tax levied and revenue earned.

**OPERATING BUDGET:** A financial plan that estimates revenues and expenditures for a specified period.

**OPERATING EXPENSE:** The cost for personnel, material and equipment required for a department to function.

**OPERATING REVENUE:** Monies received from ongoing operations. Operating revenues are used to pay for day-to-day services.

**PASSENGER FACILITY CHARGE:** A \$4.50 charge (net \$4.39 to Airport) attached to each ticketed passenger that boards an airplane at the Airport. Certain types of passengers, including military, are excluded from the Passenger Facility Charge.

**PERSONNEL SERVICES:** Expenditures for salaries, wages, and fringe benefits of employees.

**PURPOSE:** A broad statement of the goals, in terms of meeting public service needs, that a department is organized to meet.

**REIMBURSEMENT:** Cash or other assets received as a repayment of the cost of work or services performed or of other expenditures made for or on behalf of another governmental unit or department or for an individual, firm, or corporation.

**RESERVE:** An account which records a portion of the fund balance which must be segregated for some future use and which is, therefore, not available for further appropriation or expenditure.

**RESOLUTION:** A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

**RESOURCES:** The actual assets of a governmental unit, such as cash, plus contingent assets such as estimated revenues applying to the current fiscal year not accrued or collected, and bonds authorized and not issued.



**RESTRICTED FUND BALANCE:** Fund balance should be reported as restricted when constraints placed on the use of resources are either: a) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) Imposed by law through constitutional provisions or enabling legislation.

**REVENUE:** The term designates an increase to a fund's assets which: 1) does not increase a liability; 2) does not represent a repayment of an expenditure already made; 3) does not represent a cancellation of certain liabilities; and 4) does not represent an increase in contributed capital.

**REVENUE BOND:** A bond that is backed by a particular revenue source such as passenger facility fees.

**TRUST FUND:** A fund consisting of resources received and held by the governmental unit as trustee, to be expended or invested in accordance with the conditions of the trust.

**UNBALANCED BUDGET:** A budget which undesignated fund balance or reserves are used or increased, in order to balance estimated revenues to estimated expenditures or expenses.

**UNRESERVED FUND BALANCE:** The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

**USER FEE:** The service charge for delivering a specific service to a one benefiting party.

## ACRONYMS

AC	Advisory Circular
AIP	Airport Improvement Program
AOA	Airport Operations Area
ARFF	Airport Rescue Fire Fighting
ATCT	Air Traffic Control Tower
ATO	Airline Ticket Office
CATS	Compliance Activity Tracking System
CIP	Capital Improvement Plan
CFC	Customer Facility Charge
COLA	Cost of Living Adjustment
COSIB	Colorado State Infrastructure Bank
CPI	Consumer Price Index
FAA	Federal Aviation Administration
FBO	Fixed Base Operator
FOD	Foreign Object Debris
FTE	Full Time Equivalent
GA	General Aviation
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GJT	Grand Junction Airport
IT	Information Technology
LOD	Letter of Determination
MAG	Minimum Annual Guarantee
PERA	Public Employees' Retirement Association
PFC	Passenger Facility Charge
PTE	Part Time Equivalent
RTR	Remote Transmitter Receiver
SIDA	Security Identification Display Area
SWOT	Strengths Weaknesses Opportunities Threats
TAF	Terminal Area Forecast
TAP	Terminal Area Plan
TSA	Transportation Security Administration

## RESOLUTION TO ADOPT BUDGET

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RESOLUTION NO. 2017-0XX

RESOLUTION TO ADOPT BUDGET  
AND  
APPROPRIATE SUMS OF MONEY

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE GRAND JUNCTION REGIONAL AIRPORT AUTHORITY FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2018 AND ENDING ON THE LAST DAY OF DECEMBER, 2018.

WHEREAS the Grand Junction Regional Airport Authority, a political subdivision of the State of Colorado, has appointed the Finance Manager, to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS the Finance Manager, submitted a proposed budget to this governing body on September 21, 2017 for its consideration; and

WHEREAS upon due and proper notice, published and posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 17, 2017, and interested parties were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law; and

WHEREAS it is required by law to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the Grand Junction Regional Airport Authority;

NOW, THEREFORE, BE IT RESOLVED BY THE Grand Junction Regional Airport Authority, a political subdivision of the State of Colorado:

That the budget as submitted, amended, and herein summarized by fund, hereby is approved and adopted as the budget of the Grand Junction Regional Airport Authority for the year stated above; and

That the sums of money derived from revenues are appropriated for expenditures as outlined in the budget for the purposes stated; and

That the budget and sums of money appropriated for expenditures hereby approved and adopted shall be signed by the Chairman of the Grand Junction Regional Airport Authority and made a part of the public records of the Grand Junction Regional Airport Authority.

ADOPTED on this 17<sup>th</sup> day of October, 2017.

\_\_\_\_\_  
Rick Taggart, Chairman

ATTEST:

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Victoria Hightower, Clerk

Board Members Voting Aye:

Those Voting Nay:

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