

# 2019 Budget

Grand Junction Regional  
Airport Authority



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## LETTER OF BUDGET TRANSMITTAL

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

Date: November 1, 2018

Attached is a copy of the 2019 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 16, 2018. If there are any questions on the budget, please contact:

Grand Junction Regional Airport Authority  
Attn: Shelagh O'Kane  
2828 Walker Field Drive, Ste. 301  
Grand Junction, CO 81506  
970-244-9100

I, Shelagh O'Kane, Accounting Coordinator, hereby certify that the enclosed is a true and accurate copy of the 2019 Adopted Budget.

## BUDGET MESSAGE

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The Grand Junction Regional Airport Authority (“Authority”) is pleased to present the 2019 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 2019 Budget was prepared by the Authority’s Accounting Coordinator in collaboration with the Executive Director, airport staff and the Authority’s Finance and Audit Committee. The 2019 Budget is taking into consideration the Authority’s current 10 year capital plan. 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, to provide capital for airport terminal improvements and runway replacement.

The terminal improvements are estimated to cost 5,450,000. Work on terminal improvements began September 2018 and will continue

Along with the terminal projects, the Authority will continue runway design phases and construction of the replacement runway with a 2019 budget of \$8,777,777. With a long term capital plan to relocate the Airport’s main runway, maintaining available matching funds for potential FAA grants is a critical element of the capital plan.

The design for the runway relocation started in 2017. Runway design phases to finalize construction packages will continue in 2019 until the project is complete. Continued maintenance of the airport runway, taxiways and apron remain the top priority in both the 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 moderately conservative and realistic. The importance of a sound revenue picture cannot be overstated. For 2019, revenue estimates were based on forecasted enplanement levels and historical trends with greater weight placed on the most current years.

The Authority provides a number of services to the users of the Grand Junction Regional Airport (“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 2019 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 2019 and capture any available savings to be used for deferred or delayed projects from 2018

- 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>May 2018</b>	2019 Budget worksheet distribution to department managers and supervisors
<b>July 2018</b>	Department managers meet with Accounting Coordinator to discuss 2019 proposed budget.
<b>August 8, 2018</b>	Finance and Audit Committee budget work session to present 2019 proposed budget
<b>August 20, 2018</b>	Accounting Coordinator is appointed Budget Officer in accordance with C.R.S. 29-1-104
<b>September 17, 2018</b>	Presentation of 2019 Budget to Board of Commissioners. Deadline to submit budget is October 15, 2018 in accordance with C.R.S. 29-1-105.
<b>September 2018</b>	Notice of Budget to be published upon board’s receipt of 2019 proposed budget in accordance with C.R.S. 29-1-106.
<b>October 16, 2018</b>	Board votes on resolution to adopt 2019 Budget. Deadline to adopt budget is December 31, 2018 in accordance with C.R.S. 29-1-108.
<b>January 30, 2019</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, 2019.

Please refer to the “Budget Amendments” section below 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

	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Forecast</b>	<b>2019 Budget</b>
Operating revenue				
Total aeronautical revenue	2,644,169	2,645,400	2,664,638	2,615,000
Total non-aeronautical revenue	3,494,126	3,418,751	3,473,187	3,463,400
Total operating revenue	6,138,295	6,064,151	6,137,825	6,078,400
Total operating expense	4,063,890	4,526,906	4,296,570	4,725,850
Operating gain	2,074,405	1,537,245	1,841,255	1,352,550
Total non-operating revenue (expense)	1,247,488	(12,100,791)	(12,483,870)	(6,171,500)
<b>Excess of revenue over (under) expense</b>	<b>3,321,893</b>	<b>(10,563,546)</b>	<b>(10,642,615)</b>	<b>(4,818,950)</b>

\*2018 Forecast is as of June 30, 2018.

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 2019, 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 2019 Budget allows the Airport to deliver excellent services in a cost effective and efficient manner. The 2019 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,

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

Chuck McDaniel  
Vice Chairman of the Board

Angela Padalecki  
Executive Director

Shelagh O'Kane  
Accounting Coordinator/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.

Tom Benton, Chairman – county appointed	Expires April 2021
Chuck McDaniel, Vice Chairman – at large	Expires March 2021
Erling Brabaek, Commissioner – city appointed	Expires May 2019
Ron Velarde, Commissioner – county appointed	Expires April 2020
Rick Taggart, Commissioner – city council rep	Expires May 2019
Clay Tufly, Commissioner - county 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/avionics
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, Commemorative Air Force Museum, 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 4:00am until after the last flight arrives in the evening at approximately 12:00am. 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) runways are: primary Runway 11-29, capable of handling commercial, military, and general aviation traffic, and secondary 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 2016.

Secondary 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 seven (7) connector taxiways to Runway 11-29. 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 secondary Runway 4-22. It measures 35 feet wide and has three (3) exits.

Taxi lane '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 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
- Visual Approach Slope Indicator (VASI) are located on Runway 29
- 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. A third passenger loading bridge is currently under construction and is scheduled to be completed before the end of 2018.

### 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

The authority owns three (3) hangars, the oldest of which was 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 three rental car service facility buildings that are leased to National/Alamo/Enterprise-Rent-A-Car, Avis/Budget, and Hertz. 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 spaces. 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 improve the airport terminal and provide capital for the runway replacement project. 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.

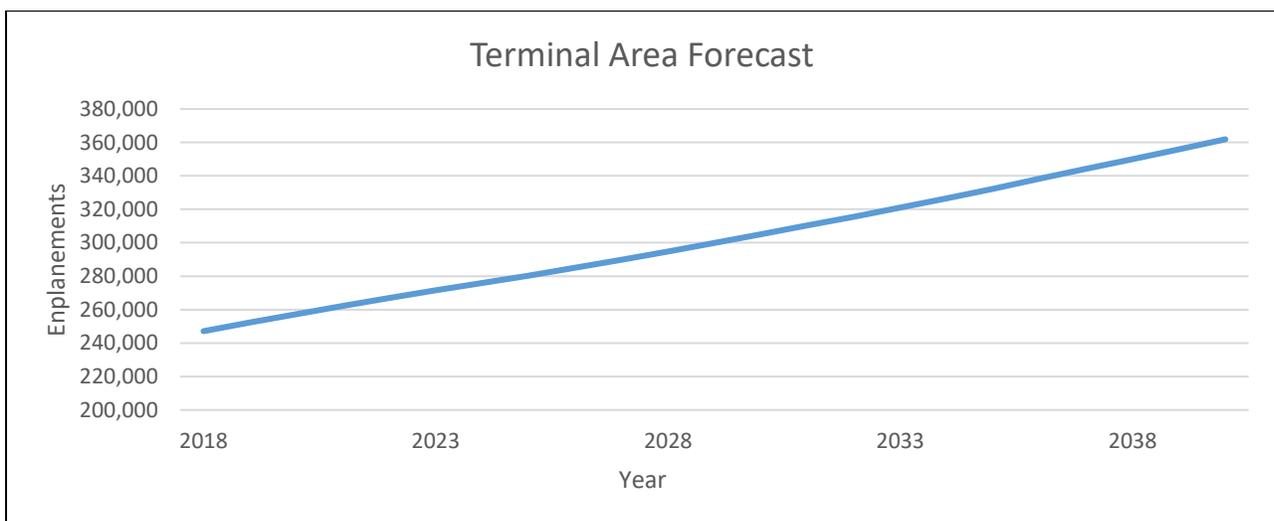
### Aircraft Operations

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

**STRENGTHS**

**Airport Infrastructure:** runway length, navigational aids, ATCT.

**Airport Facilities:** world class Fixed Base Operator (FBO), improved roads and parking lots, fuel system.

**Operational Capability:** aircraft rescue & firefighting, snow removal fleet.

**Reliability:** best on-time performance in the US, central geography, year-round good weather.

**Developable Land:** aviation and non-aviation related vacant land.

**Airport Staff:** small, tenured, and well trained, the team is able to adapt quickly

**WEAKNESSES**

**Airline Agreements:** agreements have been in holdover since 2009.

**Airport Facilities & Infrastructure:** aging terminal building and a runway that needs replacement.

**OPPORTUNITIES**

**Air Service Growth:** local interest and demand for expanded service to current and new markets: Los Angeles, San Francisco, Houston, Chicago, and Washington.

**Economic Development:** partnering with civic leadership and community groups to develop land at and around airport. In process of gaining CBP approval for a foreign trade zone at the airport.

**Alternative Funding Sources:** identifying funding sources not already capitalized (e.g. tax, grants, P3).

**Aviation Activity:** working to increase commercial, cargo, military, and general aviation activity.

**Travel Demand:** strong demand for business travel, both commercial and general aviation.

**THREATS**

**Passenger Leakage:** customers choosing alternative airports for commercial service, primarily, Denver International Airport.

**Airline Business Models:** the growth of Ultra Low Cost Carriers, competing airports, and fewer but larger airlines focused on hub growth.

**Federal Mandates:** federally driven, unfunded mandates, primarily for security.

## 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, 2017, (V2017)	151,616	5,607,154	325,719,178
Population estimates base, April 1, 2010, (V2017)	146,717	5,029,325	308,758,105
Population, percent change - April 1, 2010 (estimates base) to July 1, 2014, (V2017)	3.3%	11.5%	5.5%
<b>Age</b>			
Persons under 5 years, percent, July 1, 2017, (V2017)	5.8%	6.0%	6.1%
Persons under 5 years, percent, April 1, 2010	6.8%	6.8%	6.5%
Persons under 18 years, percent, July 1, 2017, (V2017)	21.8%	22.5%	22.6%
Persons under 18 years, percent, April 1, 2010	23.5%	24.4%	24.0%
Persons 65 years and over, percent, July 1, 2017, (V2017)	18.4%	13.8%	15.6%
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, 2017, (V2017) (a)	94.1%	87.3%	76.6%
Black or African American alone, percent, July 1, 2017, (V2017)	0.9%	4.5%	13.4%
American Indian and Alaska Native alone, percent, July 1, 2017, (V2017)	1.5%	1.6%	1.3%
Asian alone, percent, July 1, 2017, (V2017)	1.0%	3.4%	5.8%
Native Hawaiian and Other Pacific Islander alone, percent, July 1, 2017, (V2017)	0.1%	0.2%	0.2%
Two or More Races, percent, July 1, 2017, (V2017)	2.4%	3.0%	2.7%

Source: US Census Bureau

### Industry

#### 2012-2016 American Community Survey 5-Year Estimates

	Mesa County	Colorado	U.S.
Civilian employed population 16 years and over	4,649	6.8%	2.5%
Agriculture, forestry, fishing and hunting, and mining	5,340	7.8%	7.7%
Construction	3,270	4.8%	6.9%
Manufacturing	1,838	2.7%	2.6%
Wholesale trade	8,734	12.8%	11.0%
Retail trade	3,684	5.4%	4.6%
Transportation and warehousing, and utilities	1,284	1.9%	2.9%
Information	3,923	5.7%	6.9%
Finance and insurance, and real estate and rental and leasing	6,630	9.7%	13.7%
Professional, scientific, and management, and administrative and waste management services	15,918	23.3%	20.6%
Educational services, and health care and social assistance	6,576	9.6%	10.9%
Arts, entertainment, and recreation, and accommodation and food services	3,703	5.4%	5.1%
Other services, except public administration	2,709	4.0%	4.8%
Public administration			4.7%

Source: US Census Bureau

## Occupation

### 2012-2016 American Community Survey 5-Year Estimates

	Mesa County		Colorado	U.S.
Civilian employed population 16 years and over				
Management, business, science, and arts occupations	21,916	32.1%	40.8%	36.7%
Service occupations	12,835	18.8%	17.4%	18.1%
Sales and office occupations	16,882	24.7%	23.5%	24.1%
Natural resources, construction, and maintenance occupations	8,369	12.3%	9.4%	8.9%
Production, transportation, and material moving occupations	8,256	12.1%	8.9%	12.2%

Source: US Census Bureau

## Household Income

### 2012-2016 American Community Survey 5-Year Estimates

	Mesa County		Colorado	U.S.
Less than \$10,000	4,587	7.7%	5.6%	7.0%
\$10,000 to \$14,999	3,501	5.9%	3.9%	5.1%
\$15,000 to \$24,999	6,549	11.0%	8.6%	10.2%
\$25,000 to \$34,999	6,648	11.2%	9.0%	9.9%
\$35,000 to \$49,999	8,416	14.1%	12.9%	13.2%
\$50,000 to \$74,999	11,628	19.5%	18.2%	17.8%
\$75,000 to \$99,999	7,270	12.2%	13.5%	12.2%
\$100,000 to \$149,999	6,676	11.2%	15.4%	13.5%
\$150,000 to \$199,999	2,400	4.0%	6.5%	5.4%
\$200,000 or more	1,826	3.1%	6.3%	5.7%

Mean household income (dollars)	\$65,444	84,384	77,866
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Source: US Census Bureau

## Educational Attainment

### 2012-2016 American Community Survey 5-Year Estimates

	Mesa County		Colorado	U.S.
Population 25 years and over				
Less than 9th grade	2,920	2.9%	3.7%	5.6%
9th to 12th grade, no diploma	7,241	7.2%	5.3%	7.4%
High school graduate	29,254	29.3%	21.7%	27.5%
Some college, no degree	25,868	25.9%	22.2%	21.0%
Associate's degree	8,601	8.6%	8.4%	8.2%
Bachelor's degree	17,395	17.4%	24.4%	18.8%
Graduate or professional degree	8,700	8.7%	14.3%	11.5%

Source: US Census Bureau

## Labor Force

Time Period	Mesa County			Colorado	U.S.
	Labor Force	Employed	Unemployed		
<b>2011</b>	75,397	67,752	7,645	10.1%	8.9%
<b>2012</b>	74,844	67,748	7,096	9.5%	8.1%
<b>2013</b>	73,731	67,448	6,283	8.5%	7.4%
<b>2014</b>	73,608	69,068	4,540	6.2%	6.2%
<b>2015</b>	72,039	68,042	3,997	5.5%	5.3%
<b>2016</b>	74,434	67,956	6,438	8.7%	8.3%
<b>2017</b>	73,877	70,937	2,940	4.0%	3.9%

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

**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, 2018. 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, 2018**A handwritten signature in black ink that reads "Christopher P. Morrill".

Executive Director

## OPERATING REVENUE

### AERONAUTICAL REVENUE

	2017 Actual	2018 Budget	2018 Forecast	2019 Budget
Passenger airline revenue				
Passenger airline landing fees	528,794	519,400	530,011	528,800
Terminal rent	1,185,355	1,182,000	1,181,844	1,181,900
Other (boarding bridge; deicing)	102,575	100,000	102,952	112,900
<b>Total passenger airline revenue</b>	<b>1,816,724</b>	<b>1,801,400</b>	<b>1,814,807</b>	<b>1,823,600</b>
Non-passenger airline revenue				
Landing fees from cargo	143,955	127,700	151,734	91,900
Cargo and hangar rentals	51,173	51,600	51,777	53,100
Aviation fuel tax	179,453	209,700	175,000	175,000
Fuel flowage fees	449,834	453,800	467,000	467,000
Other (rapid refuel; plane parking)	3,030	1,200	4,320	4,400
<b>Total non-passenger airline revenue</b>	<b>827,445</b>	<b>844,000</b>	<b>849,831</b>	<b>791,400</b>
<b>Total aeronautical revenue</b>	<b>\$2,644,169</b>	<b>\$2,645,400</b>	<b>\$2,664,638</b>	<b>\$2,615,000</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. Landing fees are budgeted to equal 2017 numbers; 2018 had a record number of diversions and the budget reflects an average diversion year.

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 2019 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 three 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 \$0.1853 per square foot) and hangar lease with 4,880 square feet (charged at \$0.4428 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 Authority and West Star Aviation. The airport receives a fuel flowage 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 2019 is consistent with 2017 – 2018 actual numbers.

#### *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

	2017 Actual	2018 Budget	2018 Forecast	2019 Budget
Land and building leases	573,411	591,600	594,801	599,600
Terminal - restaurant & retail	125,229	119,100	128,000	126,000
Terminal - other	255,550	190,800	204,411	190,300
Rental cars	995,223	1,003,151	1,016,675	1,018,200
Parking and ground transportation	1,476,492	1,463,700	1,459,568	1,459,600
Other (badging; advertising; vending)	68,220	50,400	69,734	69,700
<b>Total non-aeronautical revenue</b>	<b>3,494,126</b>	<b>3,418,751</b>	<b>3,473,187</b>	<b>3,463,400</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 how much the CPI increase has effected the lease base rate.

#### *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 space is 2,050 square feet and the third floor is 6,384 square feet. 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 at least 1/12th of 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.....\$215,307
- National/Alamo.....\$159,663
- Hertz.....\$199,351
- 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 a per trip fee based on the size of the vehicle. The fee structure is as follows:

- 1-8 seats – \$2.50 per trip
- 9-15 seats – \$3.75 per trip
- 16+ seats – \$8.00 per trip
- 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 April 2019 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)

	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Forecast</b>	<b>2019 Budget</b>
Operating expense				
Personnel compensation and benefits	2,295,770	2,260,727	2,208,769	2,554,050
Communications and utilities	292,520	344,076	328,640	349,100
Supplies and materials	209,254	254,949	237,870	292,300
Contract services	698,874	902,474	794,449	749,700
Repairs & maintenance	353,361	449,865	425,724	330,200
Insurance	93,944	92,850	92,871	92,700
Other	120,168	221,965	208,247	357,800
<b>Total operating expense</b>	<b>4,063,890</b>	<b>4,526,906</b>	<b>4,296,570</b>	<b>4,725,850</b>

## OPERATING EXPENSE - TOTAL DEPARTMENTS (DETAIL)

	2017 Actual	2018 Budget	2018 Forecast	2019 Budget
Salaries	1,474,279	1,625,398	1,589,738	1,849,300
Payroll Taxes	517,809	241,934	235,119	264,800
401(k)	27,018	31,821	33,356	50,200
Health & Wellness	2,284	4,297	3,870	6,300
Health Insurance	208,858	287,464	299,228	306,400
Life Insurance	4,661	5,544	5,265	6,100
Worker Compensation	60,862	64,269	42,193	70,200
<b>Personnel compensation and benefits</b>	<b>2,295,770</b>	<b>2,260,727</b>	<b>2,208,769</b>	<b>2,554,050</b>
Phone service	28,320	31,000	32,480	36,200
Utilities - Electric	202,285	230,980	218,391	230,900
Utilities - Gas	20,035	35,200	31,882	35,200
Utilities - Sewer	5,935	6,876	7,754	7,600
Utilities - Trash	11,539	13,368	14,805	13,800
Utilities - Water	24,406	26,652	23,328	25,400
<b>Communications and utilities</b>	<b>292,520</b>	<b>344,076</b>	<b>328,640</b>	<b>349,100</b>
Board Meetings	4,477	1,800	2,019	3,600
Firefighting Supplies	2,960	5,333	2,636	4,500
Fuel & Oil	34,062	45,891	44,006	49,600
Glycol Disposal	8,000	15,000	17,240	21,000
Materials & Supplies	80,858	101,710	95,787	108,100
Office Supplies	8,102	1,925	3,846	3,800
Postage & Shipping	1,272	2,400	1,675	2,400
Airfield Lighting	8,646	12,590	14,446	11,000
Snow Removal	16,690	7,550	5,108	5,800
Tools & Equipment	21,458	37,350	27,103	56,600
Uniforms	22,334	20,300	21,840	21,800
Wildlife Control	397	3,100	2,164	4,100
<b>Supplies and materials</b>	<b>209,254</b>	<b>254,949</b>	<b>237,870</b>	<b>292,300</b>
ARFF Physicals	6,326	8,000	8,009	8,000
Copier Service	3,696	6,600	6,399	6,600
Personnel Services	55,740	12,795	10,321	10,300
Professional Services - Audit	39,496	41,000	42,440	50,000
Professional Services - IT	137,987	147,299	132,492	123,100
Professional Services - Legal	101,725	156,000	83,041	120,000
Professional Services - Other	55,773	131,860	139,006	63,100
Professional Services - Eng & Plan	29,617	40,000	30,000	60,000

Purchased Services	4,032	6,970	5,784	7,100
Marketing	53,165	83,100	78,643	50,000
Air Service Development	53,512	100,850	94,817	71,500
Security Guard	157,805	168,000	163,497	180,000
<b>Contract services</b>	<b>698,874</b>	<b>902,474</b>	<b>794,449</b>	<b>749,700</b>
Boarding Bridge Maintenance	15,295	35,500	33,007	17,300
Elevators & Escalators	29,283	31,000	28,058	34,000
Landscaping	2,832	6,900	6,359	6,900
Pavement Maintenance	73,530	64,400	55,688	45,300
Repairs & Maintenance	170,510	206,905	202,956	185,800
Scheduled Replacements	7,178	59,000	59,000	3,600
Airfield Building Maintenance	54,732	46,160	40,656	37,300
<b>Repairs &amp; maintenance</b>	<b>353,361</b>	<b>449,865</b>	<b>425,724</b>	<b>330,200</b>
Insurance	93,944	92,850	92,871	92,700
<b>Insurance</b>	<b>93,944</b>	<b>92,850</b>	<b>92,871</b>	<b>92,700</b>
Contingency	0	38,500	21,500	154,000
Education & Training	55,549	89,150	96,994	129,600
Professional Dues	20,543	19,015	21,082	20,700
Travel & Meetings	15,499	18,800	19,108	25,000
Other	28,576	56,500	49,563	28,500
<b>Other</b>	<b>120,168</b>	<b>221,965</b>	<b>208,247</b>	<b>357,800</b>
<b>Total operating expense</b>	<b>4,063,890</b>	<b>4,526,906</b>	<b>4,296,570</b>	<b>4,725,850</b>

## Summary

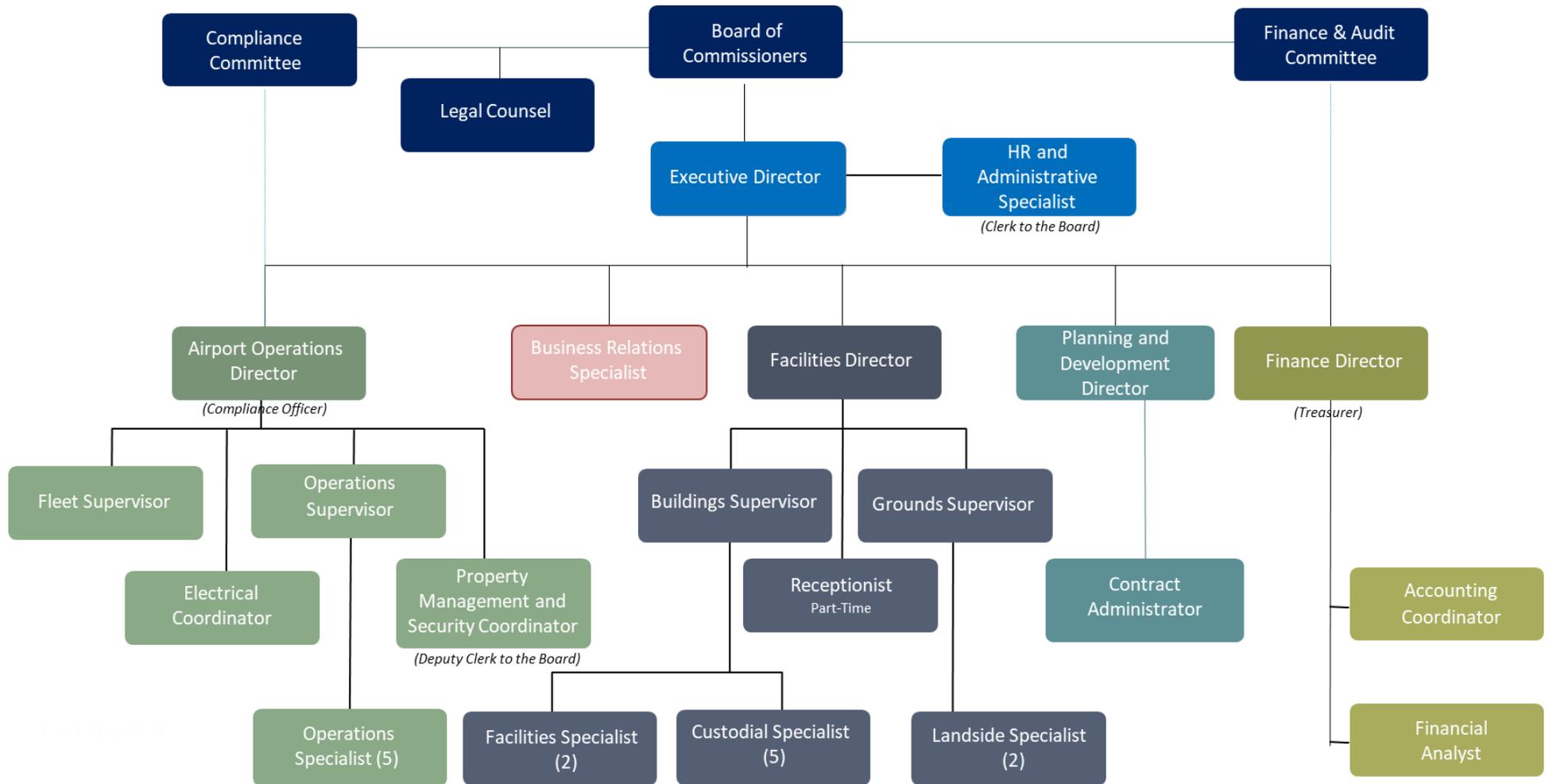
The financial reporting is comprised of nine departments, with a respective manager responsible for the department's stand-alone budget. The following operating departments consist of the following:

1. Administration – Summary
  - a. General & Administrative – Detail
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. Security - Detail
  - c. ARFF – Detail
  - d. 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.

### Organizational Chart



Note: Airport Rescue Fire Fighting (ARFF) is comprised of 14 members of the 31 member Authority staff  
 There are an additional four (4) interns dispersed throughout the departments

### 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:

	2017 Actual	2018 Budget	2018 Forecast	2019 Budget
Salaries	1,474,279	1,625,398	1,589,738	1,849,300
Payroll Taxes	517,809	241,934	235,119	264,800
401(k)	27,018	31,821	33,356	50,200
Health & Wellness	2,284	4,297	3,870	6,300
Health Insurance	208,858	287,464	299,228	306,400
Life Insurance	4,661	5,544	5,265	6,100
Worker Compensation	60,862	64,269	42,193	70,200
<b>Personnel compensation and benefits</b>	<b>2,295,770</b>	<b>2,260,727</b>	<b>2,208,769</b>	<b>2,554,050</b>

### Salaries

The salaries in 2017 were effected primarily due the turnover of the Executive director, Operations Director, Business Relations Manager (vacant since October 2017), Fleet Supervisor, and Fleet Specialist positions.

The following table is a staffing history:

As of September 30	2017	2018 Forecast	2019 Budget
<b>Filled</b>			
Full time equivalent (FTE)	28	27	30
Part time equivalent (PTE)			1
Interns		2	4
<b>Vacant</b>			
FTE	1	2	

In May 2018, the Finance and Administration Director position was vacated, the position was filled in mid-October, 2018. There was also a facilities position that was vacated in August, those positions were expected to be filled by the end of October.

A Financial Analyst, a part-time receptionist and four (4) internship positions were added in the 2019 budget.

There will be a discretionary 4% merit increase in the budget for 2019, 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 pays for gym memberships for all employees that want it. The previous health insurance plan had a more robust health and wellness plan than the new one. As such, the Airport will be making up for some of the difference.

### *Health Insurance*

The Airport offers 95% health coverage and 40% for dependents, employees pay 100% for vision, dental, and long term disability insurance. The assumption of a family selection was made for all eligible vacant positions. The following table shows the Airport's cost of annual health coverage per employee based on the coverage the employee selects:

Plan year	9/1/16-8/31/17		9/1/17-8/31/18		9/1/18-8/31/19	
	Employee	Employer	Employee	Employer	Employee	Employer
<b>Health</b>						
Employee Only	0	6,831	0	8,001	352	6,696
Employee + Spouse	4,782	8,880	5,601	10,402	4,582	9,516
Employee + Child(ren)	4,065	8,573	4,761	10,042	3,947	9,093
Family	8,846	10,622	10,362	12,442	8,348	11,912
<b>Dental</b>						
Employee Only	0	494	0	527	572	0
Employee + Spouse	343	641	366	684	1,140	0
Employee + Child(ren)	358	648	383	691	1,165	0
Family	711	799	760	853	1,750	0
<b>Total</b>						
Employee Only	0	7,325	0	8,528	924	6,696
Employee + Spouse	5,125	9,521	5,967	11,086	5,721	9,516
Employee + Child(ren)	4,423	9,221	5,144	10,733	5,112	9,093
Family	9,557	11,421	11,122	13,295	9,927	11,912

The minimum cost to the Airport for a new employee based on the plan year ending August 31, 2019 is \$6,696 an annual decrease of \$1,383 from the plan year ending August 31, 2018. There is a budgeted 17% increase to health insurance the cost of premiums starting September 1, 2019, which will be the new plan year.

#### *Life Insurance*

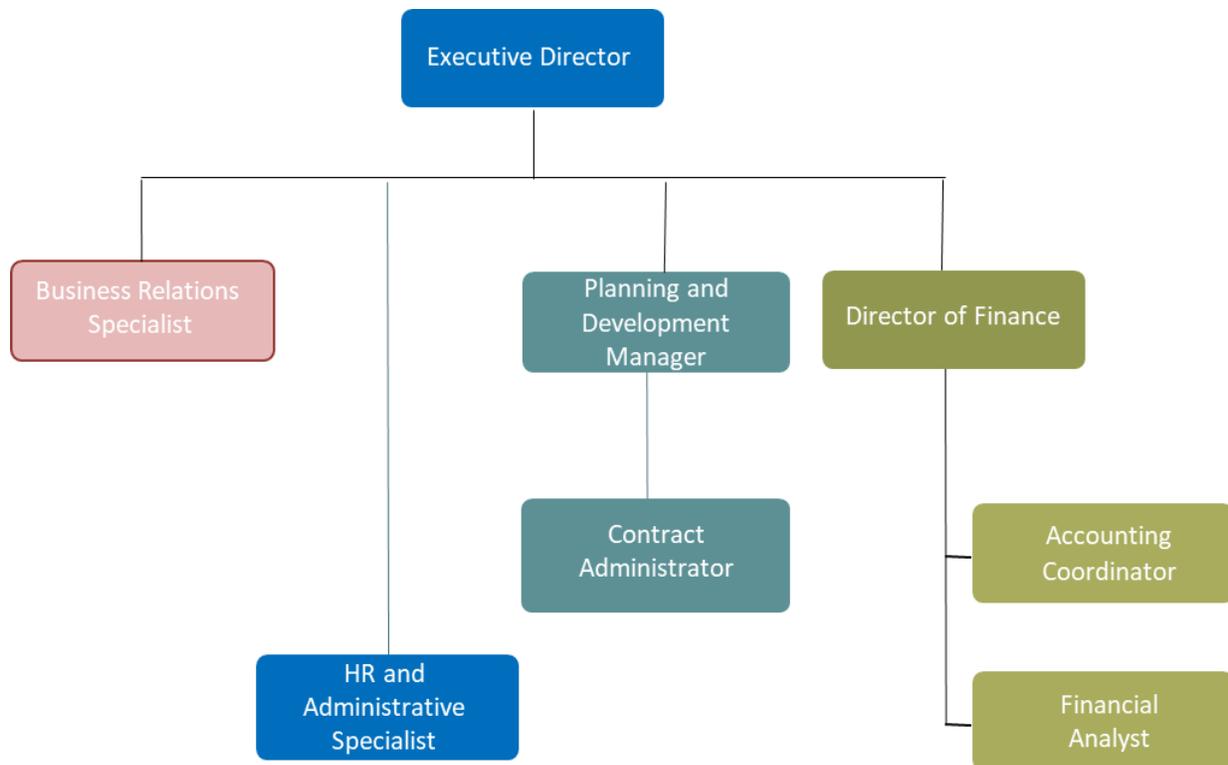
The Airport offers life insurance coverage for full-time employees, beginning on the first day of the month after hire. The Airport pays the entire cost of this insurance.

#### *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)

	2017 Actual	2018 Budget	2018 Forecast	2019 Budget
Personnel compensation and benefits	\$775,885	\$732,022	\$685,246	\$931,520
Communications and utilities	26,619	29,300	31,520	34,540
Supplies and materials	28,811	28,300	25,223	38,370
Contract services	508,052	670,224	586,786	519,410
Repairs & maintenance	1,924	6,000	27,578	6,000
Insurance	93,944	92,850	92,871	92,690
Other	70,123	102,590	110,288	243,870
<b>Total</b>	<b>\$1,505,359</b>	<b>\$1,661,286</b>	<b>\$1,559,512</b>	<b>\$1,866,400</b>



## OPERATING EXPENSE – ADMINISTRATION (GENERAL & ADMINISTRATIVE)

	2017 Actual	2018 Budget	2018 Forecast	2019 Budget
Personnel compensation and benefits	\$775,885	\$732,022	\$685,246	\$939,340
Phone Service	16,169	15,804	15,683	16,640
Cell Phones	10,450	13,496	15,837	17,850
Communications and utilities	<b>26,619</b>	<b>29,300</b>	<b>31,520</b>	<b>34,490</b>
Board Expense	4,477	1,800	2,019	3,600
Uniforms	4,333	4,900	5,272	5,200
Materials & Supplies	4,489	6,000	5,569	6,000
Office Supplies	8,102	1,800	3,796	3,720
Postage & Shipping	1,272	2,400	1,675	2,400
Tools & Equipment	6,139	11,400	6,892	17,450
Supplies and materials	<b>28,811</b>	<b>28,300</b>	<b>25,223</b>	<b>38,370</b>
Professional Services - Acct	39,496	41,000	42,440	50,000
Professional Services - It	137,987	147,299	132,492	123,140
Professional Services - Legal	101,725	156,000	83,041	120,000
Professional Services - Other	32,186	82,700	109,267	27,950
Professional Svcs - Eng & Plan	29,617	40,000	30,000	60,000
Copier Service	3,390	4,740	4,821	4,740
Marketing	53,165	83,100	78,643	50,000
Air Service Development	53,512	100,850	94,817	71,500
Personnel Recruiting	45,647	1,100	1,455	0
Publications	4,734	6,000	3,851	6,000
Personnel Services	5,360	5,195	5,015	3,840
Purchased Services	1,234	2,240	944	2,240
Contract services	<b>508,052</b>	<b>670,224</b>	<b>586,786</b>	<b>519,410</b>
Repairs & Maintenance	1,924	6,000	27,578	6,000
Repairs & maintenance	<b>1,924</b>	<b>6,000</b>	<b>27,578</b>	<b>6,000</b>
Insurance	93,944	92,850	92,871	92,690
Insurance	<b>93,944</b>	<b>92,850</b>	<b>92,871</b>	<b>92,690</b>
Other	18,789	35,000	28,563	5,000
Contingency	0	3,000	0	154,000
Education And Training	15,618	28,000	42,585	41,400
Meals	1,567	3,800	5,333	3,200
Professional Dues	20,216	17,790	20,032	18,470
Travel & Meetings	13,932	15,000	13,775	21,800
Other	70,123	102,590	110,288	243,870
<b>Total</b>	<b>\$1,505,359</b>	<b>\$1,661,286</b>	<b>\$1,559,512</b>	<b>\$1,874,170</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
- 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	Annual appraisals will be done with notations by both employee and supervisor, success will be determined by merit increases earned by employees

### 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, the social media team 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 \$32,000
  - Sage Intacct is the accounting software with an annual fee of \$16,000
  - Veoci, used for work orders, Part 139 inspection and property management, annual fee \$25,000
  - CenturyLink controlled fiber optic 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 2019 Budget to that of the 2018 legal fees. However, with a significant increase in the capital projects the airport is budgeting in 2019, it is reasonable to maintain a certain level of legal fees.
- Professional services other –The 2019 Budget includes an amount for the airline contract consultant as this project, executed primarily in 2018, is expected to continue into 2019.
- 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 2019 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 2019 Budget includes contracting with air service consultants to assist in discussions with airlines to develop new routes and enhance existing routes.

### *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.

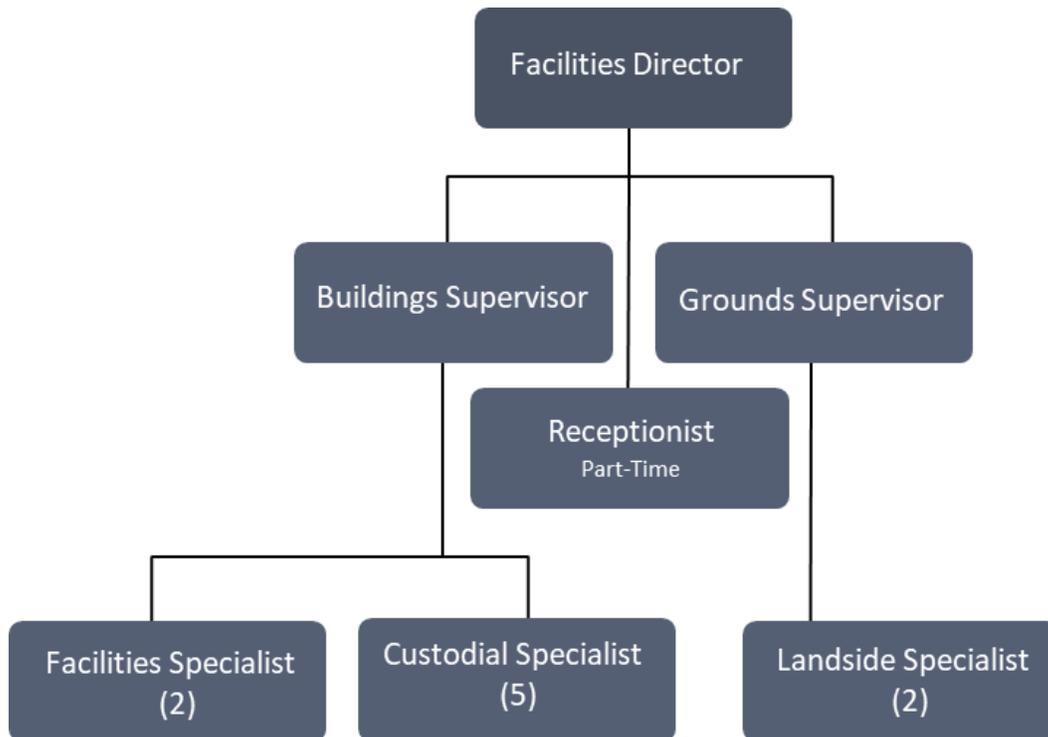
### *Other*

The material variance items in this section are:

- Contingency & Other – these accounts are used for unforeseen items that are needed during the year. The 2019 budget has gathered the contingencies from all departments into administration, 50% this total contingency was budgeted for.
- Education and Training – amount is consistent with the 2018 budget with an additional \$10,000 for board member training.
- Travel and Meetings – the expected 2019 travel includes Northwest Annual Conference; Colorado Airport Operators Association; local meetings and lunches; and various meetings in Denver with FAA, CDOT, etc.

OPERATING EXPENSE – FACILITIES (SUMMARY)

Account Name	2017 Actual	2018 Budget	2018 Forecast	2019 Budget
Personnel compensation and benefits	\$747,179	\$793,513	\$760,123	\$806,770
Communications and utilities	243,787	290,396	274,696	290,360
Supplies and materials	78,549	94,840	90,459	95,880
Contract services	17,892	31,990	28,019	36,110
Repairs & maintenance	276,717	366,231	336,043	262,450
Insurance	0	0	0	0
Other	2,668	20,550	15,924	15,850
<b>Total</b>	<b>\$1,366,792</b>	<b>\$1,597,520</b>	<b>\$1,505,264</b>	<b>\$1,507,420</b>



## OPERATING EXPENSE – FACILITIES (TERMINAL)

Account Name	2017 Actual	2018 Budget	2018 Forecast	2019 Budget
<b>Personnel Compensation And Benefits</b>	<b>\$525,549</b>	<b>\$524,546</b>	<b>\$540,395</b>	<b>\$615,490</b>
Utilities-Gas	15,229	27,500	24,609	27,500
Utilities-Electric	131,528	156,000	145,954	156,000
Utilities-Water	19,645	21,600	19,131	21,600
Utilities-Trash	8,014	9,600	10,604	9,840
Utilities-Sewer	5,476	6,300	7,121	7,000
<b>Communications and utilities</b>	<b>179,892</b>	<b>221,000</b>	<b>207,419</b>	<b>221,940</b>
Uniforms	6,990	6,300	6,959	6,720
Materials & Supplies	45,775	44,720	49,500	48,520
Tools & Equipment	2,248	2,800	1,171	500
Snow Removal	340	500	250	500
<b>Supplies and materials</b>	<b>55,353</b>	<b>54,320</b>	<b>57,880</b>	<b>56,240</b>
Personnel Services	0	500	0	500
Professional Services	0	800	600	0
Purchased Services	2,798	2,930	2,892	3,040
<b>Contract services</b>	<b>2,798</b>	<b>4,230</b>	<b>3,492</b>	<b>3,540</b>
Repairs & Maintenance	93,614	81,990	83,176	78,800
Boarding Bridge Maintenance	15,295	35,500	33,007	17,250
Elevator & Escalators	29,283	31,000	28,058	33,980
HVAC	0	0	2,892	0
Scheduled Replacements	7,178	59,000	59,000	3,600
<b>Repairs &amp; maintenance</b>	<b>145,371</b>	<b>207,490</b>	<b>206,133</b>	<b>133,630</b>
<b>Insurance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Education And Training	1,928	6,700	8,018	10,700
Professional Dues	0	0	0	550
Contingency	0	10,500	6,500	0
<b>Other</b>	<b>1,928</b>	<b>17,200</b>	<b>14,518</b>	<b>11,250</b>
<b>Total</b>	<b>\$910,891</b>	<b>\$1,028,786</b>	<b>\$1,029,837</b>	<b>\$1,042,090</b>

### Overview

The Terminal department is supervised by the Facilities Director. 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
- General building maintenance
- Custodial services

### 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 safe, comfortable, and pleasant experience for the flying public	Replacement of HVAC, update life safety compliance, repair roof, replace escalators	Implement terminal renovations as approved by the Board and monitor customer satisfaction trends via social media
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	Annual appraisals will be done with notations by both employee and supervisor, success will be determined by merit increases earned by employees

### 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 electricity usage is due to the increase in scheduled construction, this is slightly offset due to the Airports subscription to the solar garden.

#### *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 2018 budget and forecast.

- The repairs and maintenance account has decreased compared to 2018 due to \$11,360 of HVAC contingency having been moved out of the terminal department.
- Boarding bridge maintenance had a decrease in the 2019 Budget due to the replacement of the boarding bridge jack screws with an estimated cost of \$20,000 in the 2018 budget.
- Scheduled replacements had an amount in the 2018 budget for tenant carpet replacement that is required as part of the tenant lease agreement at a cost of \$59,000 that is not shown in the 2019 budget.

#### *Insurance*

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

#### *Other*

Contingency items have been moved from individual departments to an entity-wide contingency held in the administration department.

## OPERATING EXPENSE – FACILITIES (GROUNDS & ROADWAYS)

Account Name	2017 Actual	2018 Budget	2018 Forecast	2019 Budget
<b>Personnel compensation and benefits</b>	<b>\$187,592</b>	<b>\$228,054</b>	<b>\$195,529</b>	<b>\$189,510</b>
Utilities-Electric	31,457	33,200	32,446	33,200
Utilities-Water	1,448	2,512	2,537	2,510
<b>Communications and utilities</b>	<b>32,905</b>	<b>35,712</b>	<b>34,983</b>	<b>35,710</b>
Uniforms	2,497	2,100	2,781	2,520
Materials & Supplies	15,241	28,480	23,252	28,080
Tools & Equipment	2,428	1,200	974	2,500
Snow Removal	1,928	2,500	1,250	2,500
<b>Supplies and materials</b>	<b>22,094</b>	<b>34,280</b>	<b>28,257</b>	<b>35,600</b>
Professional Services	15,095	25,960	22,579	30,720
<b>Contract services</b>	<b>15,095</b>	<b>25,960</b>	<b>22,579</b>	<b>30,720</b>
Repairs & Maintenance	13,944	35,600	14,320	12,200
Pavement Maintenance	38,549	13,000	4,000	12,500
Landscaping	2,832	6,900	6,359	6,900
<b>Repairs &amp; maintenance</b>	<b>55,325</b>	<b>55,500</b>	<b>24,679</b>	<b>31,600</b>
<b>Insurance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Professional Dues	0	0	0	280
Education And Training	740	3,350	1,406	5,150
<b>Other</b>	<b>740</b>	<b>3,350</b>	<b>1,406</b>	<b>5,150</b>
<b>Total</b>	<b>\$313,750</b>	<b>\$382,856</b>	<b>\$307,433</b>	<b>\$328,430</b>

### Overview

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

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	Complete the last phase of 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 2019
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	Annual appraisals will be done with notations by both employee and supervisor, success will be determined by merit increases earned by employees

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 2019 Budget includes bringing in contract labor in April and having that labor contracted through early part of October. The budgeted increase over 2018 is to cover minimum wage increases.

*Repairs and Maintenance*

The repairs and maintenance decrease in the 2019 Budget is for the conversion of street lights to LED lighting in the 2018 Budget.

*Insurance*

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

*Other*

Other is primarily made up of education and training which has increased by over 50% in accordance with the objectives set for the department.

## OPERATING EXPENSE – FACILITIES (RENTAL CAR)

Account Name	2017 Actual	2018 Budget	2018 Forecast	2019 Budget
<b>Personnel compensation and benefits</b>	<b>\$19,306</b>	<b>\$7,401</b>	<b>\$7,041</b>	<b>\$3,700</b>
Utilities-Electric	7,342	6,900	6,916	6,900
Utilities-Trash	1,630	1,680	1,712	1,800
<b>Communications and utilities</b>	<b>8,972</b>	<b>8,580</b>	<b>8,628</b>	<b>8,700</b>
Snow Removal	358	2,850	2,050	150
Materials & Supplies	31	590	808	690
<b>Supplies and materials</b>	<b>389</b>	<b>3,440</b>	<b>2,858</b>	<b>840</b>
Purchased Services	0	600	600	650
<b>Contract services</b>	<b>0</b>	<b>600</b>	<b>600</b>	<b>650</b>
Repairs & Maintenance	10,604	11,330	10,567	23,410
Pavement Maintenance	267	22,000	21,000	4,000
<b>Repairs &amp; maintenance</b>	<b>10,871</b>	<b>33,330</b>	<b>31,567</b>	<b>27,410</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>\$39,537</b>	<b>\$53,351</b>	<b>\$50,694</b>	<b>\$41,300</b>

### Overview

The Rental Car department is supervised by the Facilities Director. 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
- Fuel site maintenance
- 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 to minimize equipment down time.
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*

Snow removal supplies and material inventory was replenished in 2018 and is not budgeted for 2019.

##### *Contract Services*

The Contract Services account is for annual fuel site testing. Variances are immaterial and no additional explanation is deemed necessary.

##### *Repairs and Maintenance*

The pavement maintenance variance is due to the fog seal project in 2018.

##### *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	2017 Actual	2018 Budget	2018 Forecast	2019 Budget
<b>Personnel compensation and benefits</b>	<b>\$14,732</b>	<b>\$33,512</b>	<b>\$17,158</b>	<b>\$0</b>
Utilities-Gas	4,806	7,700	7,273	7,700
Utilities-Electric	11,545	12,200	11,611	12,200
Utilities-Water	3,313	2,540	1,660	1,280
Utilities-Trash	1,895	2,088	2,489	2,230
Utilities-Sewer	459	576	633	600
<b>Communications and utilities</b>	<b>22,018</b>	<b>25,104</b>	<b>23,666</b>	<b>24,010</b>
Snow Removal	516	500	250	500
Fuel - Diesel	20,680	24,065	25,058	25,890
Fuel - Unleaded	10,874	10,896	12,014	12,690
Materials & Supplies	197	2,300	1,214	2,700
<b>Supplies and materials</b>	<b>32,266</b>	<b>37,761</b>	<b>38,536</b>	<b>41,780</b>
Purchased Services	0	1,200	1,348	1,200
<b>Contract services</b>	<b>0</b>	<b>1,200</b>	<b>1,348</b>	<b>1,200</b>
Parking Lot Maintenance	0	600	300	0
Repairs & Maintenance	6,358	12,450	12,531	14,030
Tower Repairs & Maintenance	27,238	21,900	23,761	17,200
<b>Repairs &amp; maintenance</b>	<b>33,596</b>	<b>34,950</b>	<b>36,592</b>	<b>31,230</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>\$102,613</b>	<b>\$132,527</b>	<b>\$117,300</b>	<b>\$98,220</b>

### Overview

The Other Buildings department is supervised by the Facilities Director. 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 air traffic control tower, airport owned hangars, and the ARFF/SRE building.

The maintenance functions of this department include the following:

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

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 Cab window panes	Receive board approval in the capital budget to replace the window panes

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*

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 – Fuel Site repairs and maintenance were moved from the Fleet and Operations departments to align with the department that does the work.
- Tower repairs and maintenance – \$6,000 was moved out of the towers HVAC contingency and added to the entity-wide list.

*Insurance*

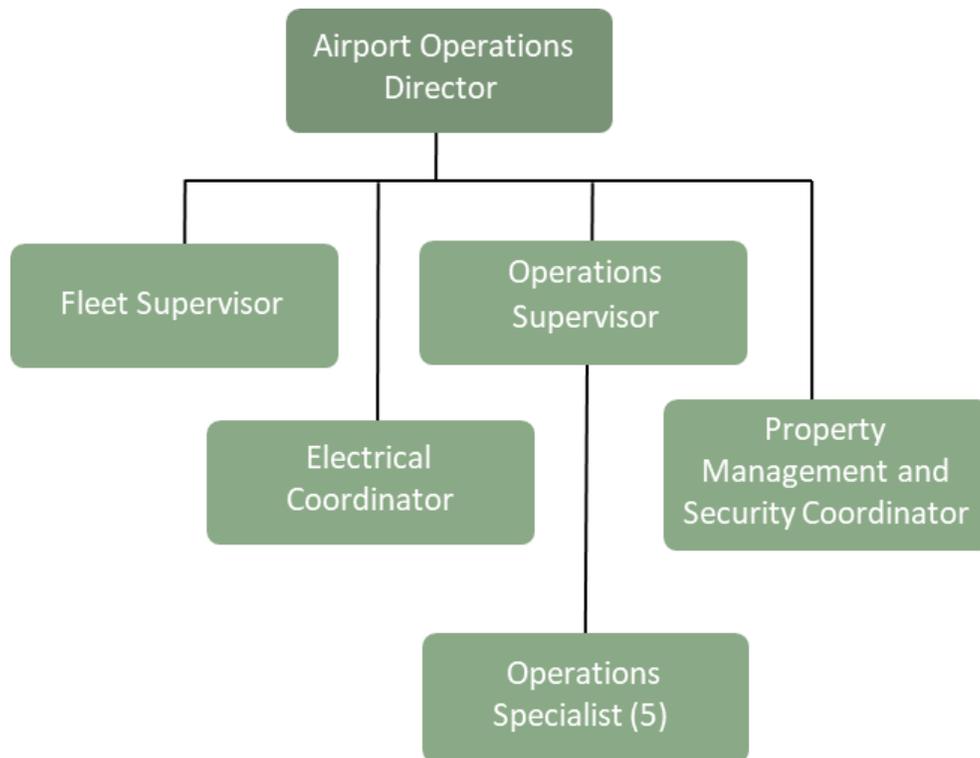
Insurance is only a part of the General and Administrative department and is not allocated to other departments.

*Other*

The Other section is not used in this department.

## OPERATING EXPENSE – AIRFIELD (SUMMARY)

Account Name	2017 Actual	2018 Budget	2018 Forecast	2019 Budget
Personnel compensation and benefits	\$772,702	\$735,192	\$763,400	\$806,730
Communications and utilities	22,114	24,380	22,424	22,490
Supplies and materials	70,340	96,848	85,116	103,200
Contract services	172,928	200,260	179,644	194,110
Repairs & maintenance	106,233	112,595	93,593	99,630
Insurance	0	0	0	0
Other	47,162	98,825	82,035	85,780
<b>Total</b>	<b>\$1,191,479</b>	<b>\$1,268,100</b>	<b>\$1,226,212</b>	<b>\$1,311,940</b>



## OPERATING EXPENSE – AIRFIELD (OPERATIONS)

Account Name	2017 Actual	2018 Budget	2018 Forecast	2019 Budget
<b>Personnel compensation and benefits</b>	<b>\$558,146</b>	<b>\$474,730</b>	<b>\$517,744</b>	<b>\$602,920</b>
Utilities-Electric	20,199	22,440	21,232	22,440
<b>Communications and utilities</b>	<b>20,199</b>	<b>22,440</b>	<b>21,232</b>	<b>22,440</b>
Uniforms	6,115	4,900	5,117	6,020
Materials & Supplies	5,840	8,310	7,243	8,510
Runway & Taxiway Lighting	8,646	12,590	14,446	11,030
Runway Deicing	7,875	0	0	0
Snow Removal	5,673	1,200	1,308	2,100
Wildlife Control	397	3,100	2,164	4,100
Glycol Disposal	8,000	15,000	17,240	21,000
Tools & Equipment	3,120	3,500	3,547	10,000
<b>Supplies and materials</b>	<b>45,665</b>	<b>48,600</b>	<b>51,065</b>	<b>62,760</b>
Copier Service	306	1,860	1,578	1,860
<b>Contract services</b>	<b>306</b>	<b>1,860</b>	<b>1,578</b>	<b>1,860</b>
Pavement Maintenance	34,714	28,800	30,388	28,800
Repairs & Maintenance	3,129	6,250	3,925	4,050
<b>Repairs &amp; maintenance</b>	<b>37,843</b>	<b>35,050</b>	<b>34,313</b>	<b>32,850</b>
<b>Insurance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Education And Training	7,594	9,000	10,735	21,000
Professional Services-IT	0	0	0	1,870
Professional Dues	327	950	775	950
Contingency	0	5,000	5,000	0
<b>Other</b>	<b>7,921</b>	<b>14,950</b>	<b>16,510</b>	<b>23,820</b>
<b>Total</b>	<b>\$670,079</b>	<b>\$597,630</b>	<b>\$642,442</b>	<b>\$746,650</b>

### Overview

The Operations department is supervised by the Airfield Operations Director. The Operations department has an operations supervisor, fleet supervisor, operations specialists, property management & security coordinator, and an electrical coordinator.

The functions of this department include the following:

- Airfield inspection/maintenance
- FAA Part 139 compliance
- 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
Maintain a robust FAA Part 139 compliance program	Annual FAA 139 inspection	Receive zero discrepancies
Maintain a safe airfield	Airport/Air Traffic Control monitoring	Receive zero runway incursions or surface incidents
Efficient airport construction activities	Complete projects on time, with limited operational impact.	Maintain airline/airport on-time performance.
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	Annual appraisals will be done with notations by both employee and supervisor, success will be determined by raises earned by employees

### 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 tools and equipment variance is a result of the purchase of a laptop and light bars to be used for airfield inspections. These new pieces of equipment will be outfitted on vehicle “Ops 6”, transitioning it to a primary truck. The glycol disposal 2019 Budget has increased to include three possible disposals for the year.

#### *Contract Services*

Contract service amounts are consistent year over year. Variances are immaterial and no additional explanation is deemed necessary.

#### *Repairs and Maintenance*

Pavement maintenance in 2019 includes \$20,000 to paint Taxiway A, Taxiway C, and runway 4/22.

#### *Insurance*

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

#### *Other*

Contingency items have been moved from individual departments to an entity-wide contingency held in the administration department.

## OPERATING EXPENSE – AIRFIELD (SECURITY)

Account Name	2017 Actual	2018 Budget	2018 Forecast	2019 Budget
<b>Personnel compensation and benefits</b>	<b>\$84,354</b>	<b>\$69,049</b>	<b>\$70,512</b>	<b>\$73,730</b>
Utilities-Electric	214	240	232	240
<b>Communications and utilities</b>	<b>214</b>	<b>240</b>	<b>232</b>	<b>240</b>
Uniforms	370	700	232	700
Office Supplies	0	125	50	130
Tools & Equipment	93	450	433	8,200
Materials & Supplies	2,799	2,600	1,619	2,900
<b>Supplies and materials</b>	<b>3,262</b>	<b>3,875</b>	<b>2,334</b>	<b>11,930</b>
Security Guard	157,805	168,000	163,497	180,000
Professional Services - Other	8,493	22,400	6,560	4,400
<b>Contract services</b>	<b>166,297</b>	<b>190,400</b>	<b>170,057</b>	<b>184,400</b>
Repairs & Maintenance	12,526	15,000	10,962	5,000
Access System Maintenance	28	0	1,812	0
<b>Repairs &amp; maintenance</b>	<b>12,554</b>	<b>15,000</b>	<b>12,774</b>	<b>5,000</b>
<b>Insurance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Education And Training	5,489	4,000	5,700	6,000
Fingerprint Processing	9,500	20,000	21,000	22,000
Professional Dues	0	275	275	280
<b>Other</b>	<b>14,989</b>	<b>24,275</b>	<b>26,975</b>	<b>28,280</b>
<b>Total</b>	<b>\$281,671</b>	<b>\$302,839</b>	<b>\$282,884</b>	<b>\$303,580</b>

### Overview

The Security department is supervised by the Operations Director. In 2018, this position was modified to report directly to the Operations Director instead of the Finance Director.

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:

- TSA compliance
- Security badge administration
- Background checks
- Security systems
- Parking enforcement
- Property Management

### 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
Open a new badging office	Maintain equal levels of customer service/badge turn around timing	Customer feedback and badge issuance timing
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	Annual appraisals will be done with notations by both employee and supervisor, success will be determined by merit increases earned by employees

### 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 to several components of the airport security system.

#### *Supplies and Materials*

The tools and equipment variance is driven by the addition of 8 security cameras. All other variances are immaterial and no additional explanation is deemed necessary.

#### *Contract Services*

Security guard services will increase in 2019 due to increased hours as well as and increased hourly rate.

#### *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. Much of this was contingency that was moved to the entity-wide contingency list.

#### *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 new SIDA badges due to the number and size of projects on the airfield.

## OPERATING EXPENSE – AIRFIELD (ARFF)

Account Name	2017 Actual	2018 Budget	2018 Forecast	2019 Budget
<b>Personnel compensation and benefits</b>	<b>\$44,294</b>	<b>\$58,184</b>	<b>\$43,129</b>	<b>\$53,990</b>
Phone Service	0	1,700	960	1,680
<b>Communications and utilities</b>	<b>0</b>	<b>1,700</b>	<b>960</b>	<b>1,680</b>
Materials & Supplies	0	1,710	1,057	1,710
Tools & Equipment	0	11,000	8,722	10,000
Firefighting Supplies	0	5,333	2,636	4,520
<b>Supplies and materials</b>	<b>0</b>	<b>18,043</b>	<b>12,415</b>	<b>16,230</b>
ARFF Physicals	0	8,000	8,009	8,000
<b>Contract services</b>	<b>0</b>	<b>8,000</b>	<b>8,009</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	0	34,100	24,970	41,300
<b>Other</b>	<b>0</b>	<b>34,100</b>	<b>24,970</b>	<b>41,300</b>
<b>Total</b>	<b>\$44,294</b>	<b>\$120,027</b>	<b>\$89,483</b>	<b>\$121,200</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 & Roadways 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 and medical response
- Aircraft incident and accident response
- Incident Command
- Emergency Preparedness

### 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
Improve personnel training and expertise in Incident Command	Engage employees in incident management specific roles	Send multiple ARFF members to more advanced re-current training
Improve inter-agency communication and training	Increased training exercises with supporting agencies.	Orchestrate multiple on-site training exercises

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 made of tools for each of the ARFF trucks at cost of \$10,000.

*Contract Services*

The Contract Services account is for annual ARFF physicals. Variances are immaterial and no additional explanation is deemed necessary.

*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 as well as additional mid-level burn recertification's.

## OPERATING EXPENSE – AIRFIELD (FLEET)

Account Name	2017 Actual	2018 Budget	2018 Forecast	2019 Budget
<b>Personnel compensation and benefits</b>	<b>\$85,908</b>	<b>\$133,229</b>	<b>\$132,015</b>	<b>\$76,090</b>
<b>Communications and utilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Materials & Supplies	5,567	7,000	5,525	8,990
Uniforms	2,029	1,400	1,479	700
Tools & Equipment	3,623	7,000	5,364	7,930
Oil & Lubricants	2,508	10,930	6,934	10,960
<b>Supplies and materials</b>	<b>13,727</b>	<b>26,330</b>	<b>19,302</b>	<b>28,580</b>
<b>Contract services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
SRE Repairs & Maintenance	27,495	24,260	16,895	20,150
Repairs & Maintenance	28,369	38,285	31,423	42,280
<b>Repairs &amp; maintenance</b>	<b>55,864</b>	<b>62,545</b>	<b>48,318</b>	<b>62,430</b>
<b>Insurance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Contingency	0	20,000	10,000	0
Education And Training	299	4,000	3,580	4,000
Rentals	0	0	0	0
Licenses & Fees	72	1,500	0	1,500
<b>Other</b>	<b>371</b>	<b>25,500</b>	<b>13,580</b>	<b>5,500</b>
<b>Total</b>	<b>\$155,869</b>	<b>\$247,604</b>	<b>\$213,215</b>	<b>\$172,600</b>

### Overview

The Fleet department is supervised by the Airfield Operations Director. The Operations department has an operations supervisor, fleet supervisor, operations specialists, property management & security coordinator, and an electrical coordinator.

The functions of this department include the following:

- Fleet planning/forecasting
- Maintenance of all Airport vehicles
  - Snow removal equipment (SRE)
  - Fire trucks
  - Tractors
  - Mowers
  - Trucks

## 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
Have a clear fleet replacement program	Maintain sufficient/efficient levels of equipment	Construct and implement a fleet replacement program
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	Annual appraisals will be done with notations by both employee and supervisor, success will be determined by merit increases earned by employees

## 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 2018 budget and 2018 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 2018 budget. The 2019 Budget increased due to removing the fleet specialist position with the expectation of contracting out more repair work.

### *Insurance*

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

other departments.

*Other*

Amounts are consistent year over year with the 2018 budget and 2018 forecast. Variances are immaterial and no additional explanation is deemed necessary.

## NON-OPERATING REVENUE & EXPENSE

	2017 Actual	2018 Budget	2018 Forecast	2019 Budget
Passenger facility charges	901,543	900,100	894,200	894,200
Interest income	187,301	39,000	90,419	62,400
Interest expense	(1,318,486)	(841,744)	(841,723)	(812,200)
Customer facility charges	719,971	722,300	716,200	716,200
Capital contributions	5,201,808	12,019,132	8,063,499	18,463,800
Capital expenditure	(2,996,143)	(23,810,421)	(20,274,609)	(24,571,200)
Debt principal payments	(1,298,096)	(1,129,158)	(1,129,158)	(924,700)
Other	(150,410)	0	0	0
<b>Total non-operating revenue (expense)</b>	<b>1,247,488</b>	<b>(12,100,791)</b>	<b>(12,483,870)</b>	<b>(6,171,500)</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 majority of the bond fund is budgeted to be utilized in 2019.

#### *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 2019 Budget includes AIP grant revenue from the FAA of approximately \$17,900,000 for the continuation of runway design and construction, continued construction on the remote transmitter/receiver site work, realignment of 27 ¼ road and rehabilitation of Taxiway A on the east and west ends.

The 2019 AIP funding estimated to be received from the State of Colorado will be limited to approximately \$150,000 for the projects previously discussed. The Airport is responsible for approximately \$1,040,000 of the 2019 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 2019 – 2031

	2019	2020	2021	2022	2023-2031	Total
<b>NON-AIP Projects</b>						
<b>Administration</b>						
Office Renovation	266,410					266,410
Replace Wireless Controller	6,500					6,500
Add Additional WiFi Access Points	5,000					5,000
<b>Terminal</b>						
Tunnel & jet bridge	390,000					390,000
Terminal building rehabilitation	5,450,000					5,450,000
Administration building	1,000,000					1,000,000
Baggage System Improvements	80,000					80,000
Ride on Floor Care Machine	25,000					25,000
Paint Terminal Stucco	20,000					20,000
Replace Rear Checkpoint Gate	15,000					15,000
Upgrade PLC's In 2 Dew Passenger Loading Bridges	24,000					24,000
Install Walk-Off Carpet In EE1 Hallway	6,000					6,000
<b>Grounds &amp; Roads</b>						
Sidewalk & Crosswalk From Parking Lot To WF Dr.	3,500					3,500
Sidewalk & Crosswalk on Falcon Way	4,700					4,700
Fog seal phase 4	45,000					45,000
Landscape/erosion control Part of Employee Parking Lot	7,500					7,500
Phase 1 Wayfinding	20,000					20,000
<b>Other Facilities</b>						
Replace roof membrane - original ARFF building	60,000					60,000
ATCT fire notification system	50,000					50,000
SRE / ARFF LED Upgrade	5,000					5,000
ATCT Window Replacement (3 Cab Windows)	20,000					20,000
Pavement-Airfield	22,000					22,000
Radio Replacement Phase I	30,000					30,000
<b>Fleet</b>						
Surplus equipment auction	50,000					50,000
New Vehicles	30,000					30,000
<b>Operations</b>						
Rehabilitate runway 4-22			2,000,000			2,000,000
<b>Future unidentified projects</b>		400,000	400,000	400,000	3,600,000	4,800,000
<b>Subtotal Non-AIP Projects</b>	<b>7,635,610</b>	<b>400,000</b>	<b>2,400,000</b>	<b>400,000</b>	<b>3,600,000</b>	<b>14,435,610</b>

	2019	2020	2021	2022	2023-2031	Total
<b>AIP Projects</b>						
Runway Design (Phase 1) - AIP 55	75,000					75,000
Runway Design (Phase 2) - AIP 56	500,000					500,000
East Terminal Apron - AIP 54	2,000,000					2,000,000
RTR Site Work - AIP 57	3,257,575					3,257,575
Realign 27 1/4 Road - AIP 58	1,128,000					1,128,000
Rehab Taxiway A (East and West Ends)- AIP 59	425,000					425,000
New Runway 11-29 - Construction Phase 1	8,750,000	27,777				8,777,777
New Runway 11-29 - Construction Design Only- AIP 61	800,000					800,000
Rehab West Commercial Apron		8,777,778				8,777,778
Current Runway 11-29 - Rehabilitate/ Overlay Failed Portions/Seal Coat/Restripe			4,333,333			4,333,333
Rehab Taxiway A (Commercial Apron Section)			2,777,778			2,777,778
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)				8,300,000		8,300,000
New Runway 11-29 - Earthwork for Runway 11-29 & all Taxiways (Phase 3)					4,150,000	4,150,000
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
Rehab Taxiway A (Remaining Sections)					5,100,000	5,100,000
Runway 11-29 to TW "A" Conversion & Reconstruction					29,000,000	29,000,000
<b>Subtotal AIP Projects</b>	<b>16,935,575</b>	<b>8,805,555</b>	<b>9,411,111</b>	<b>8,300,000</b>	<b>93,950,000</b>	<b>137,402,241</b>
<b>Funding Source</b>						
Federal portion	15,242,018	7,925,000	8,470,000	7,470,000	84,555,000	123,662,017
State portion	250,000	250,000	250,000	250,000	2,250,000	3,250,000
GJ Airport portion	1,443,558	630,556	691,111	580,000	7,145,000	10,490,224
<b>TOTAL PROJECT COST</b>	<b>24,571,185</b>	<b>9,205,555</b>	<b>11,811,111</b>	<b>8,700,000</b>	<b>97,550,000</b>	<b>151,837,851</b>



Recommendations. In other words, without completing these recommended renovations, the Airport risks losing its ability to process arriving and departing commercial passengers and therefore, 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	
<b>Code Compliance/Life Safety</b>	
Enclosure of the third floor, emergency and egress lighting, and exit stair enclosures	
<b>Other</b>	
Roof, electrical, Public Address system, and escalators	
<b>Total</b>	<b>\$4,910,000</b>

The 2018 forecast for terminal renovations include soft cost and construction administration fees.

**Administration building:**

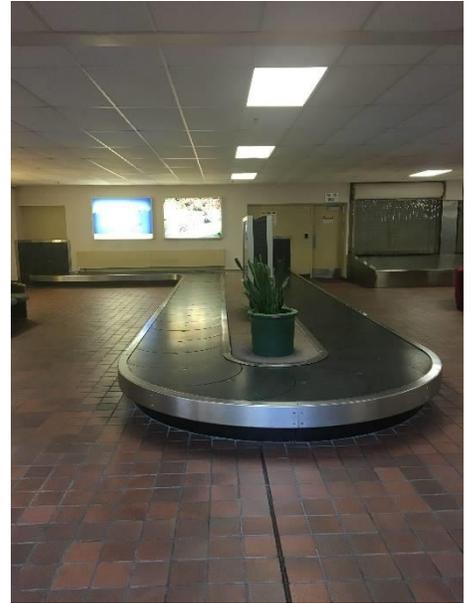


The administration building has not had any construction worked performed on it since 2013. The building was considered the first phase of a new terminal. The current unfinished status of the administration building would require a large cash investment that needs to be fully funded by the Airport, a private investor or a combination. The 2018 budget of \$1,000,000 is being carried forward to the 2019 Budget.

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### Baggage system improvements:

In 2007, the projected cost to replace both flat plate conveyors in the baggage claim area was \$300,000 dollars. The conveyors are original equipment that have been in service since 1982. Given the uncertainty of how long we will keep the current passenger terminal, staff feels that money would be better spent upgrading the current equipment. The 2019 budget includes \$40,000 to replace the carousel doors, worm drives, and electronic controls.



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### Ride on floor care machine:

The current floor care machine was purchased in 2011 and has just under 1,500 hours on it. Due to its age and redesigned terminal space near the service entrance, staff will be looking into different design options. The 2019 budget allows for up to \$25,000 to find suitable alternatives.



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**Paint terminal stucco:**

The terminal boarding area addition was completed in early 2004. The addition has a stucco finish which has faded over time. \$20,000 has been budgeted to contract the painting of the addition as well as the matching stucco wall near the service entrance.



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**Replace rear checkpoint gate:**

The TSA security checkpoint is currently secured by two (2) roll down gates when the checkpoint is closed. These gates are original equipment from when the terminal opened in 1982 and have been relocated each time the checkpoint has been relocated. The rear gate has been damaged several times and has become unreliable. Staff has budgeted \$15,000 for the replacement of this gate in 2019.

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**Upgrade PLC's in 2 Dew Passenger Loading Bridges:**

The two Dew Passenger Loading Bridges were installed in 2004. Both bridges are controlled with Programmable Logic Controllers (PLC's), which have become obsolete. Staff has budgeted \$24,000 dollars to upgrade the PLC's in 2019.



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**Install walk-off carpet in EE1 hallway:**

The hallway used to board Denver Air Connection has seen a lot of traffic over the years that has caused the quarry tile to chip and crack. Staff is proposing to replace this surface with walk off carpet similar to that used in the passenger terminal vestibules. This flooring choice reduces the trip hazards, as well as traps the soils from inbound passenger's shoes. Staff has budgeted \$6,000 for this project.



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### Sidewalk & crosswalk From Parking Lot to WF Dr.:

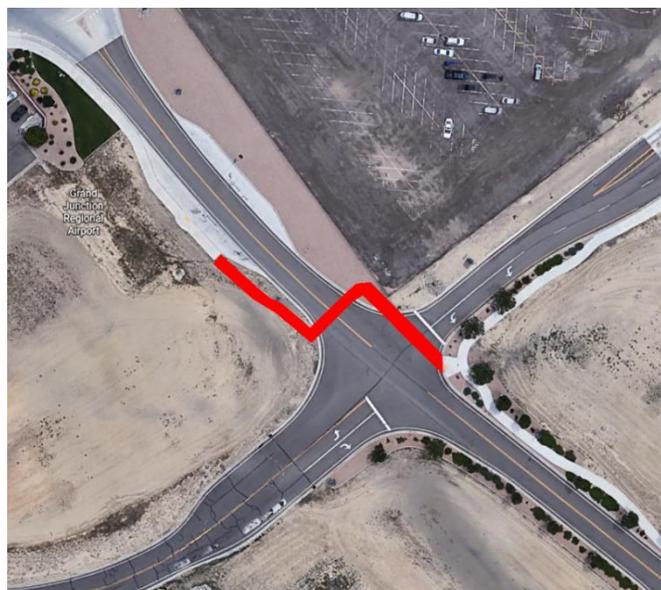


Airport customers often walk from the terminal parking lot to one of the sidewalks along Walker Field Drive. This has worn a path through a section of turf and has become a hazard for users crossing Walker Field Drive. Staff has budgeted \$3,500 to complete the work in house.

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### Sidewalk & Crosswalk on Falcon Way:

The existing sidewalk on the west side of Falcon Way abruptly ends before the Landing View Lane intersection causing users to cut across the road with no crosswalk. Staff has budgeted \$4,700 to complete the sidewalk and crosswalks in house. This work will improve both safety and the user's experience.



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#### Fog seal phase 4:

The fog seal project on public roadways and parking lots began in 2016 and continued through 2018. The previous phases included the main passenger parking lot, Walker Field Drive, Falcon Way, Aviators Way, Navigators Way, the Tower Road, Eagle Drive, and both Heritage Courts. The fog seal phase four (4) cost is estimated to be \$45,000 for the west side of the airport. Work will be done on Landing View Lane primarily with the fuel access road and several tenant access routes. This will be the last phase of the four year fog seal project.



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#### Landscape/Erosion control in employee parking lot:

Staff has budgeted \$7,500 to finish landscaping the island between the employee and public parking lots. This will reduce soil erosion on the hillside as well as make the parking lot more aesthetically pleasing.



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### Phase 1 Wayfinding:

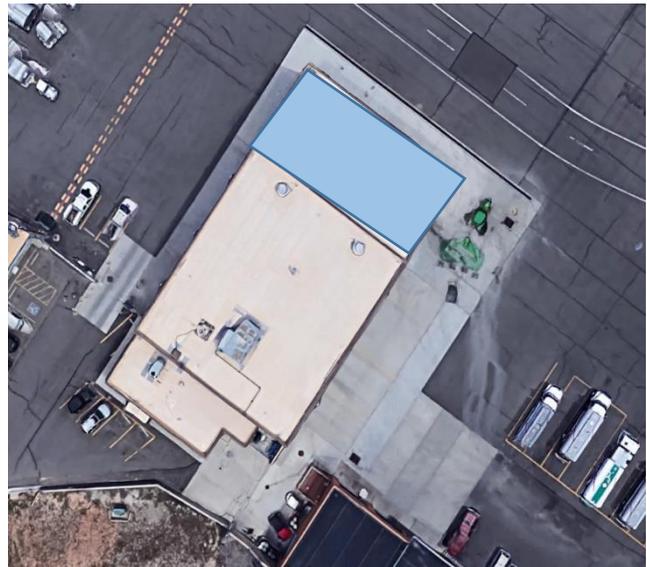
The wayfinding signage along the airport's roadways was installed in 2008 and are fading and showing wear. Staff treated some of the signs in 2018 to rejuvenate them and buy some much needed time to allow for phased replacement. A budget of \$20,000 was added to the 2019 budget to begin phase one (1) of the replacement.



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### 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 2019 Budget estimates a total project cost of \$60,000. This money was budgeted in 2018, but it has since been postponed to 2019 to leverage having a general contractor to bid and oversee the work.



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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 2019 Budget estimates the cost of \$50,000 to replace the fire notification system. Originally this project was budgeted for 2018, but with the construction market being extremely busy the decision was made to let the Airport's general contractor bid and oversee the work during 2019.

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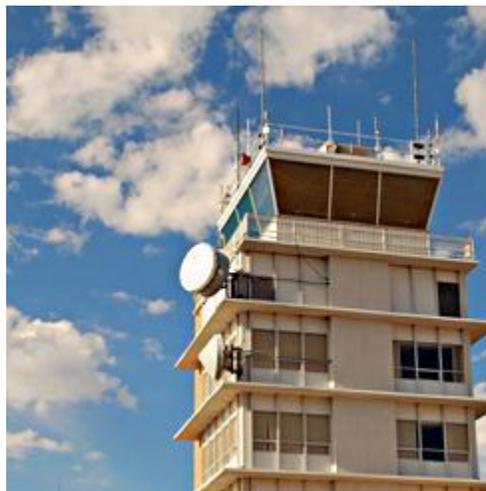
**SRE/ARFF LED upgrade:**

The ARFF / SRE building was built in 2000. Staff will take advantage of Xcel Energy rebate incentives to upgrade the interior lighting to LED's. This would also help to reduce the amount of electrical consumption at the facility. The amount budgeted for this project is \$5,000.

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**ATCT window replacement- 3 panes:**

Three of the windows in the cab of the air traffic control tower have lost their seals. Causing condensation to form between the glass panes. This condensation will only continue to worsen over time and will impact the visibility of aircraft to air traffic controllers. The estimated cost budgeted for this work is \$20,000.



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**Airfield pavement:**

A service road providing access to General Aviation has reached the end of its useful life. The repair of the road and relocation of the fence to enhance access will cost \$22,000. The majority of work is going to be handled by airport staff with capital going towards supplies and materials (asphalt, base, etc.)

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**Radio replacement- phase 1:**

The primary communication method between airport employees is via handheld radio. In 2009 we purchased 35 units in order to service this need. Motorola no longer services those radios. The airport will partner with surrounding agencies (GJPD, GJFD, etc.) to replace the obsolete radios during a phased approach. The partnership will allow the Authority to take advantage of bulk pricing. Phase 1 will see \$30,000 put towards this effort. The estimated total replacement cost for all Authority radios is \$90,000.

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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 and includes a wide range of equipment including street sweepers, backhoes and snow removal equipment. The amount to be spent will be limited to the budget of \$50,000, however, items purchased will be based on availability at the time of the auction.



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**New Vehicle:**

This vehicle will primarily serve administrative staff as well as senior management located in the terminal. Expected uses include off-site meetings, construction inspections, emergency support/response, etc. The increase in project load has greatly increased employee vehicle needs. \$30K has been budgeted for this.

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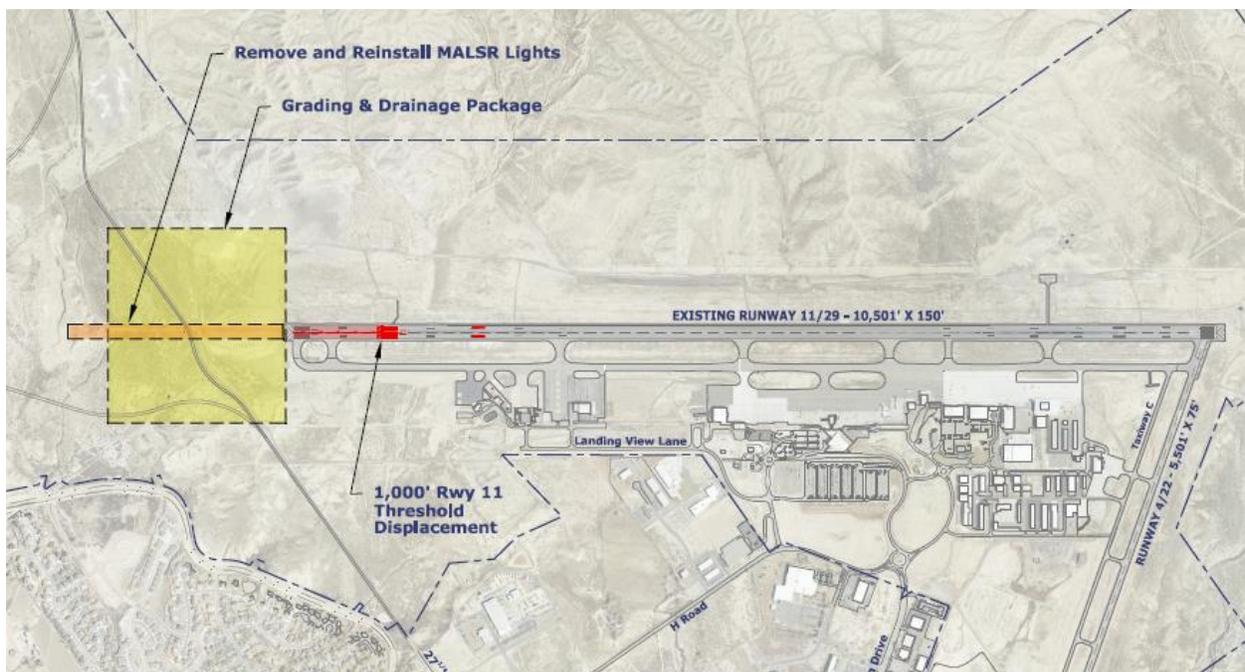
**New Runway 11-29 - Construction**

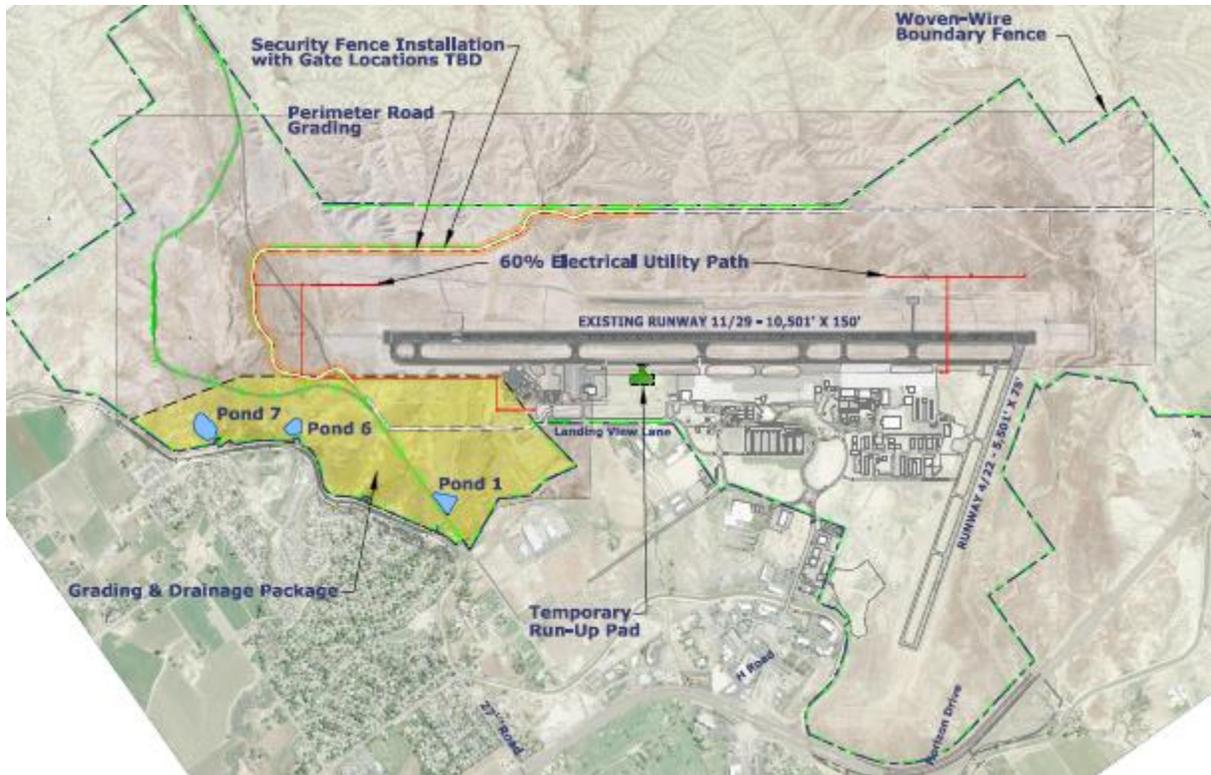
The Authority began a multi-year program in 2016 to relocate the primary runway. The relocation is intended to minimize impacts to community air service while modernizing the runway, originally constructed in 1958. The most effective way to meet the current FAA design standards, maintain airport operations 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 six (6) Airport Improvement Program (AIP) Grants from the Federal Aviation Administration (FAA) to continue the Construction New Runway 11-29 (shifting 600

feet to the northwest). The project is listed on the Authority's approved Airport Layout Plan and Capital Improvement Plan.

2019 work will continue the project as the first of the enabling projects that began in 2018 with the relocation of 27 ¼ Road and the relocation of the Remote Transmitter/Receiver. Work completed in 2019 will depend on the availability of Federal funds. A preliminary list of design work contemplated for 2019 includes:

- Temporary Run-up Pad including blast fences
- Select Ponds Grading and Associated Drainage
- Airfield Lighting Control System (ALCS) Upgrades
- Well for Construction Water
- Perimeter Road and Security Fence Grading
- Security Fencing at Airfield Lighting Vault
- Property Boundary Fencing
- Xcel Main Line Relocation
- NAVAID Reimbursable





### Funding Source

The funding source of non-AIP 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 was increased to \$250,000 per year for 2019 capital improvement projects. 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 use is for the Terminal Building Rehab and the runway replacement project 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 and runway replacement. 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
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	765,000	738,450	1,503,100
2023-2036	15,435,000	5,619,475	21,054,475
<b>Total</b>	<b>\$19,025,000</b>	<b>\$9,553,856</b>	<b>\$28,578,856</b>

### 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
2019	229,673	2,004	231,677

### 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 2019 operating budget and projected 2020, showing a net reduction in cash for 2019 and a slight increase in cash starting in 2020. The 2016 revenue bonds reduced the debt service by approximately \$300,000 over the subsequent 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 2017 actual includes final legal settlement on claims made in previous years.

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 1,000 pounds
Airline Shared Space	\$80,000 per month (approximately)
Exclusive Lease Space	\$30.30 per square foot
Ground Transportation	\$2.50-\$8.00 per trip fee
Fuel Flowage	\$0.1017 per gallon
Rental Car Service Area – Ground	\$0.1884 per square foot
Rental Car Service Area – Building	\$4.8789 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.

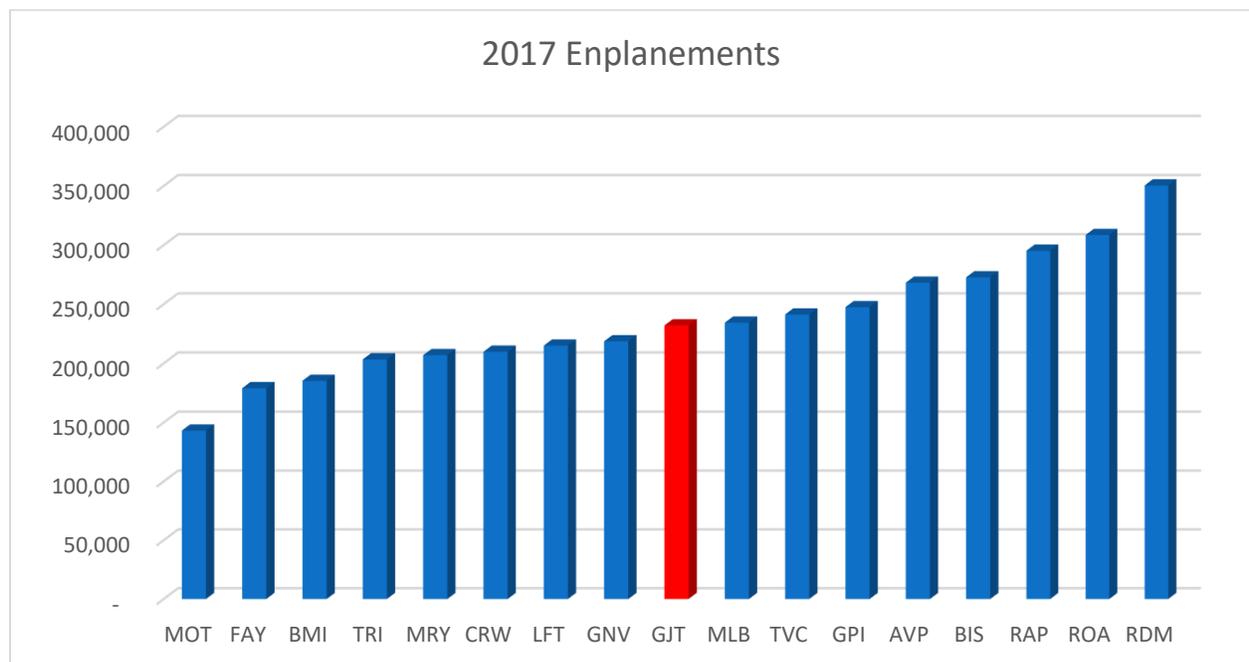
## PERFORMANCE INDICATORS

### 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 2017. The information used in Performance Indicators was obtained from the Compliance Activity Tracking System (CATS)

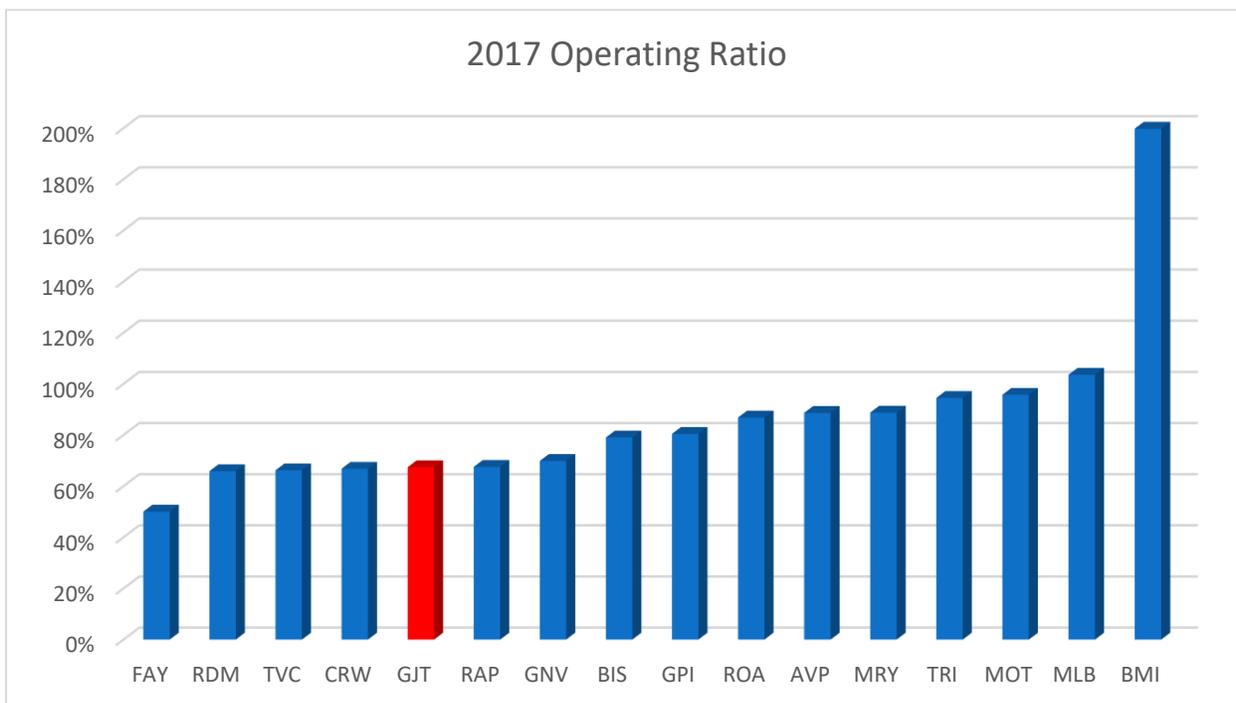
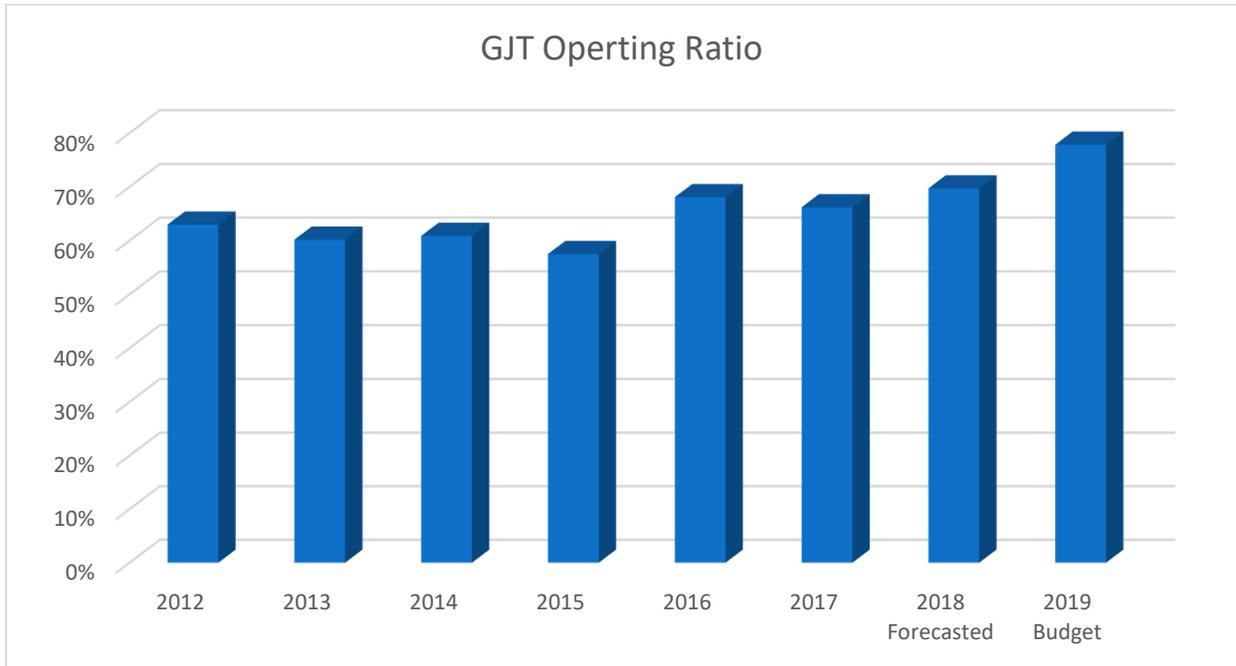
<http://cats.airports.faa.gov/> using the FAA Form 127 information.

Airport ID	Airport Name	State	Enplanements
MOT	Minot Intl	ND	143,172
BMI	Central Illinois Regional	IL	185,245
MRY	Monterey Peninsula	CA	206,905
FAY	Fayetteville Regional	NC	179,001
GNV	Gainesville Regional	FL	218,698
TRI	Tri-Cities Regional TN/VA	TN	203,347
CRW	Yeager	WV	209,819
GJT	Grand Junction Regional	CO	232,079
TVC	Cherry Capital	MI	241,287
AVP	Wilkes-Barre /Scranton Intl	PA	268,197
MLB	Melbourne Intl	FL	234,430
GPI	Glacier Park International	MT	247,445
BIS	Bismarck Muni	ND	272,739
RAP	Rapid City Regional	SD	295,215
RDM	Roberts Field	OR	350,402
ROA	Roanoke Regional	VA	308,527



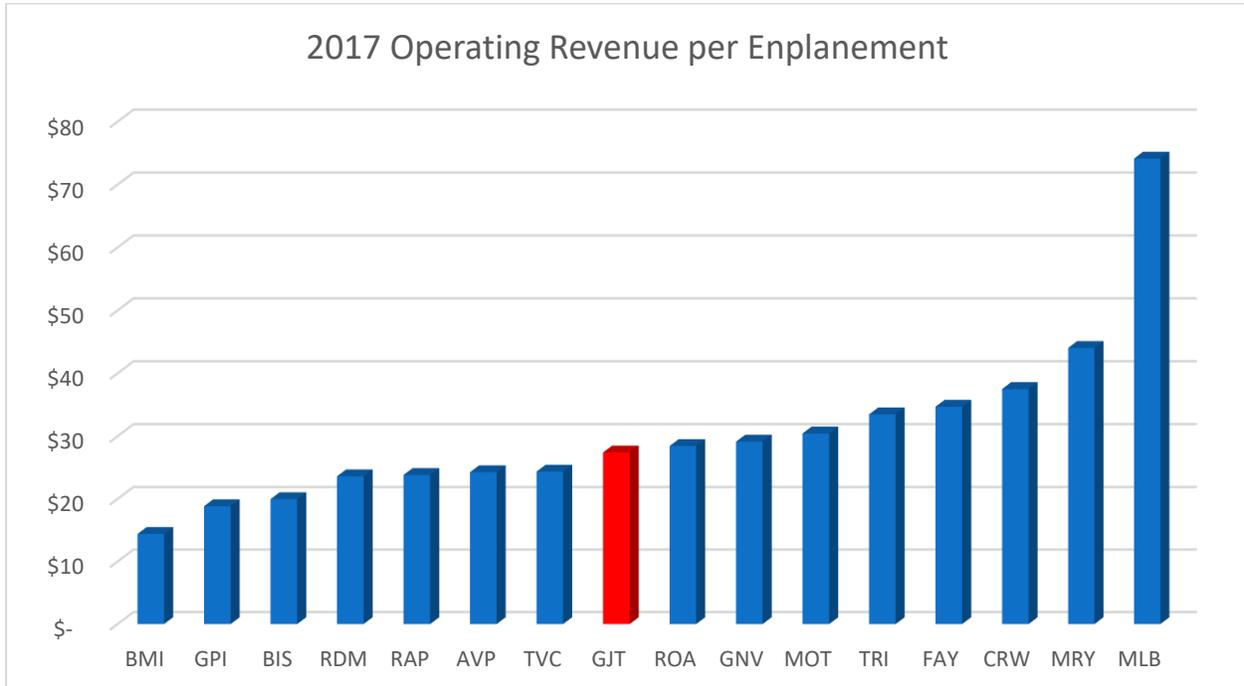
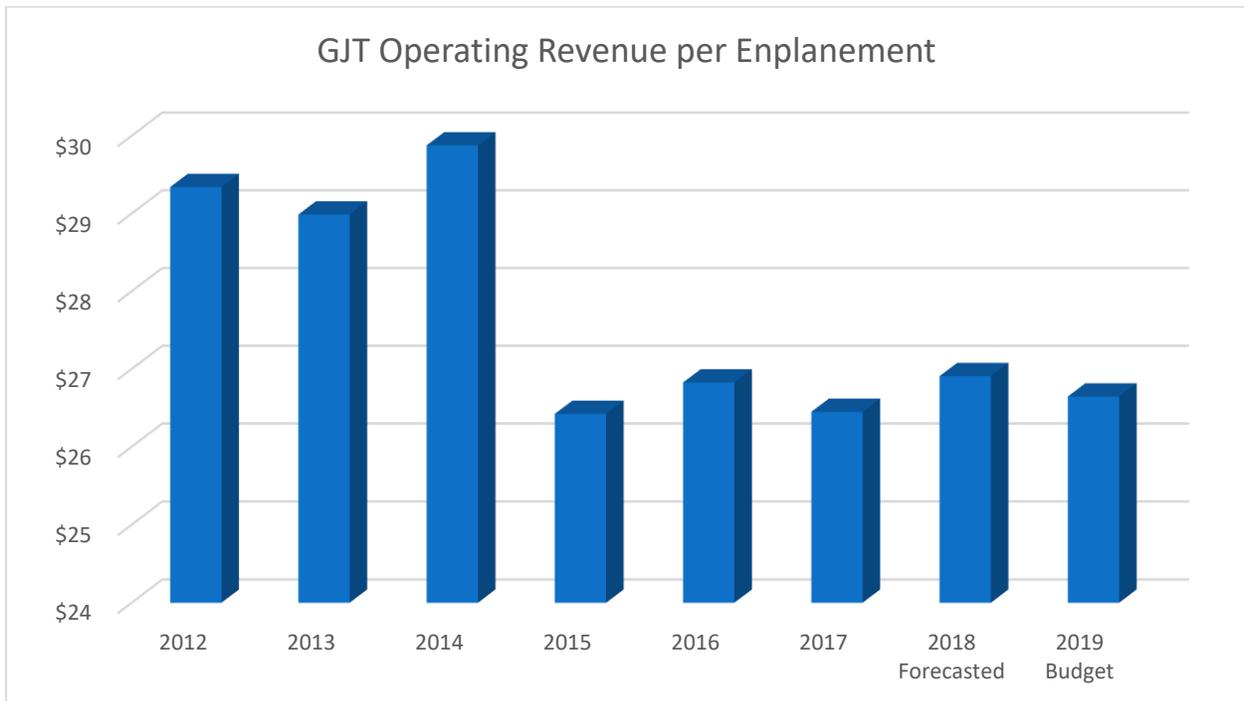
## OPERATING RATIO

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.



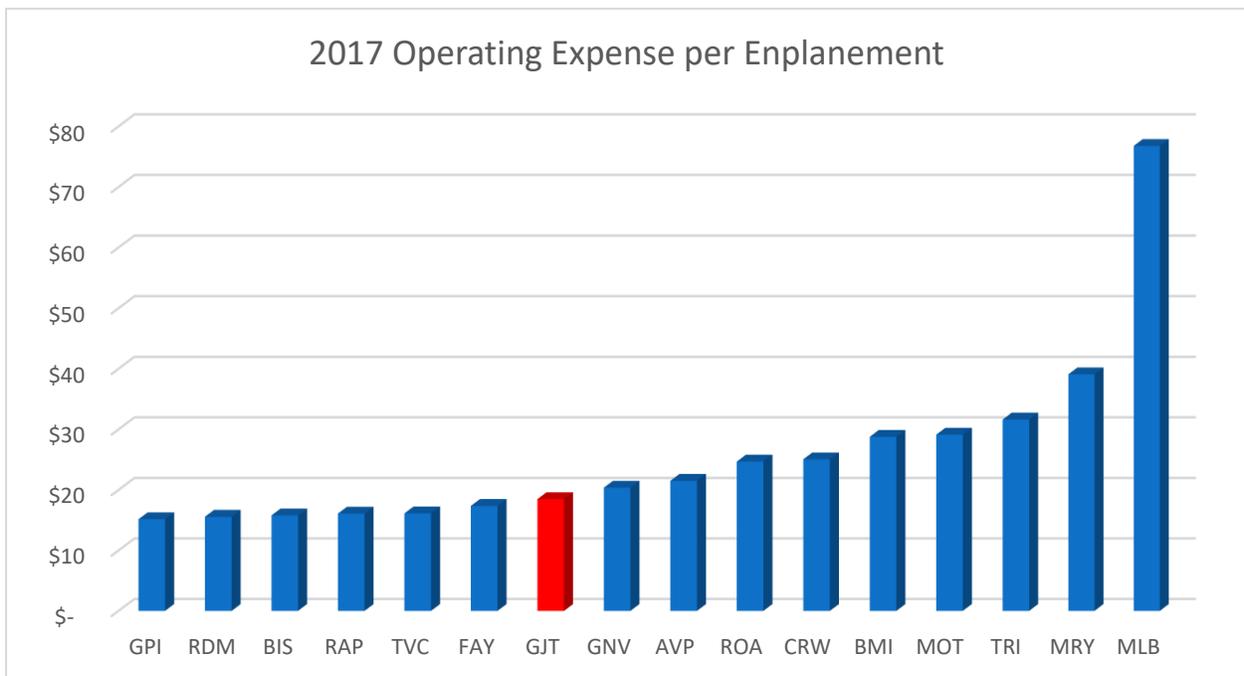
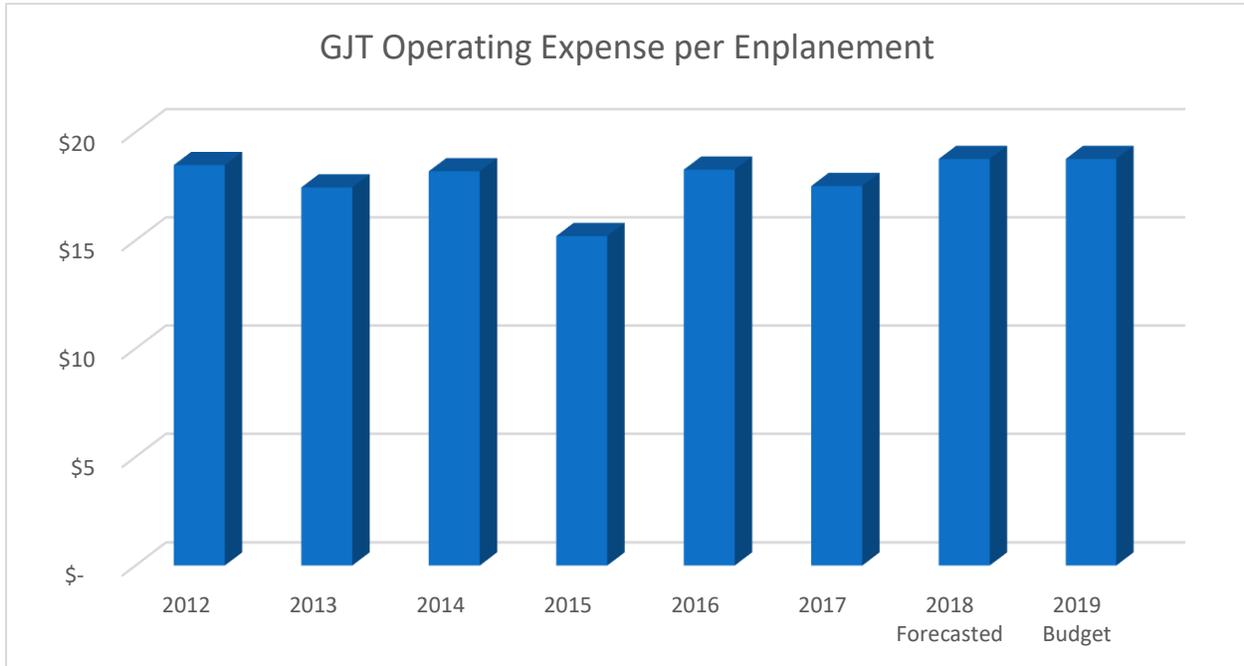
## OPERATING REVENUE PER ENPLANEMENT

This is a measure of operating revenues per enplaned passenger.



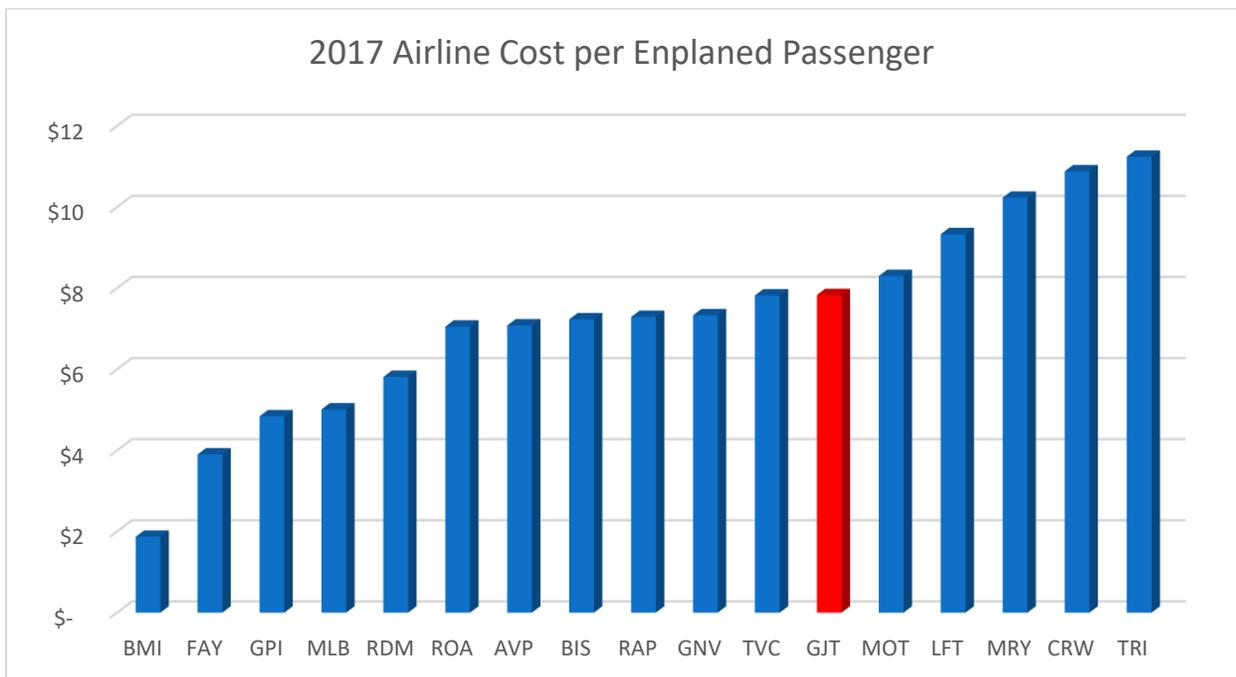
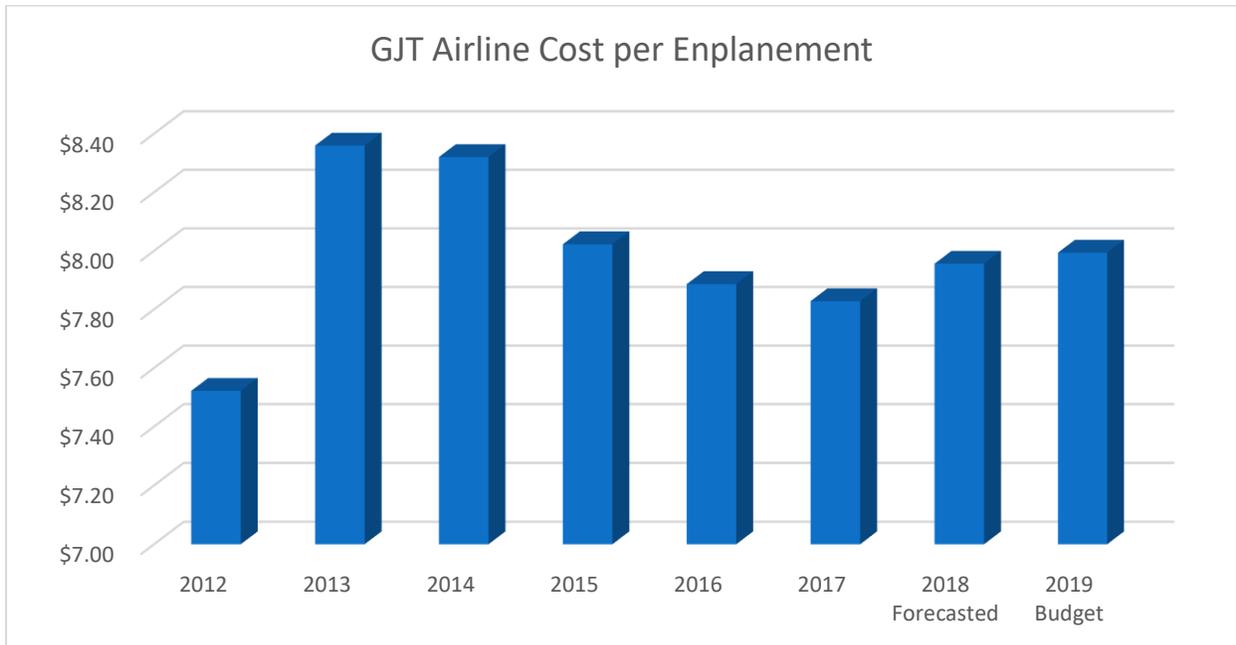
## OPERATING EXPENSE PER ENPLANEMENT

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



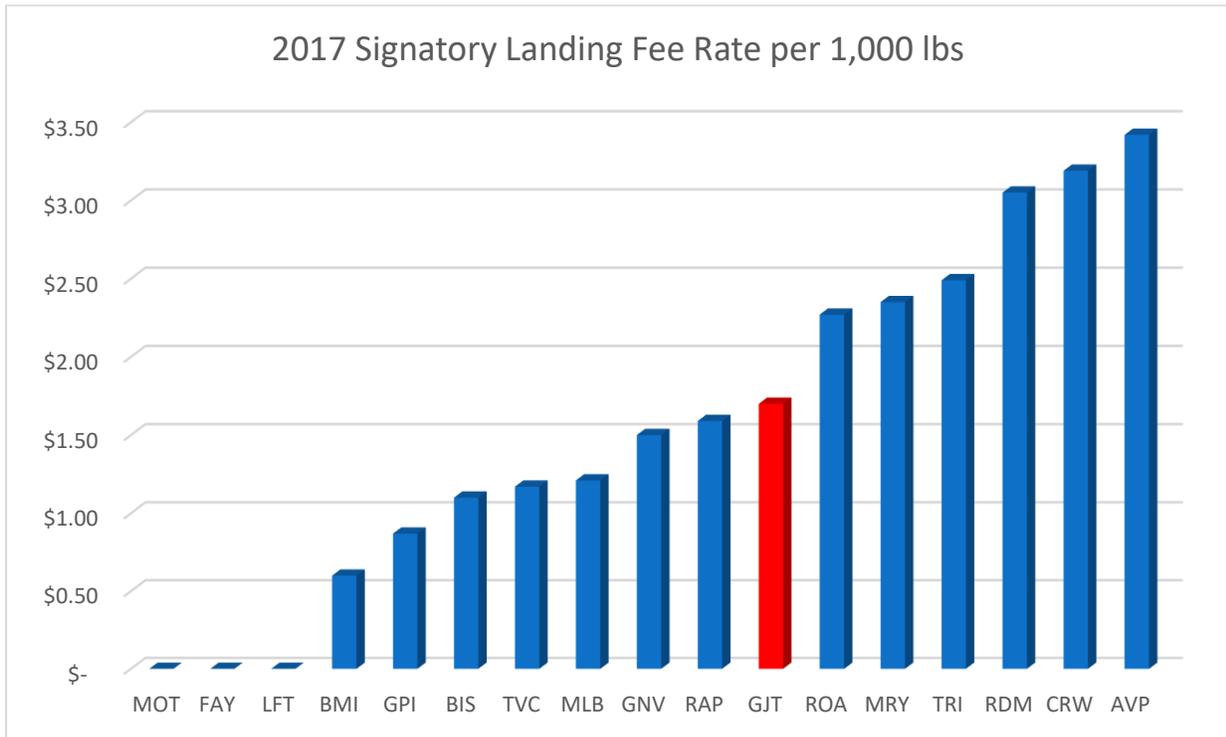
### AIRLINE COST PER ENPLANEMENT

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



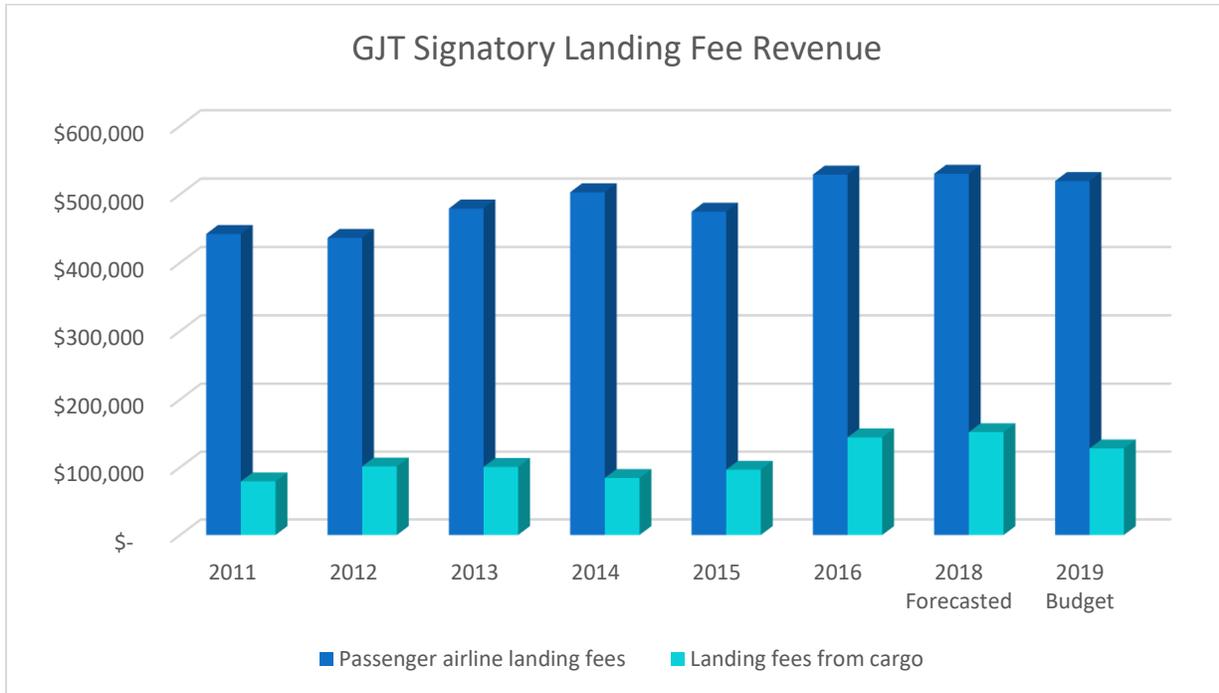
### LANDING FEE RATE

The landing fee rate is the fee 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. 2018-005

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, 2019 AND ENDING ON THE LAST DAY OF DECEMBER, 2019.

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

WHEREAS the Accounting Coordinator, submitted a proposed budget to this governing body on September 17, 2018 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 16, 2018, 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 20<sup>th</sup> day of November, 2018.

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Tom Benton, Chairman

ATTEST:

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Victoria Hightower, Clerk

Board Members Voting Aye:

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Those Voting Nay:

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