

Barnstable Municipal Airport Enterprise Fund

Purpose Statement

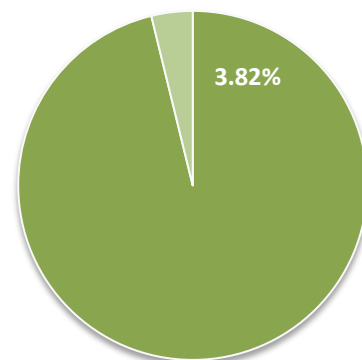
To provide a safe and superb air travel experience and high quality aviation activities to the citizens of the Town of Barnstable, the Cape Cod region, and the Commonwealth of Massachusetts. As a non-hub primary airport and a major transportation facility, our goal is to foster local economic growth; and to ensure that the airport remains an integral part of the regional transportation plan in an effort to meet the demand for present and future air travel

Recent Accomplishments

- Maintained compliance with all Federal & State airport safety and certification requirements.
- Leveraged funds from the Massachusetts Department of Transportation (MassDOT) – Aeronautics Division to complete 5 airport projects. In March 2018, MassDOT notified airports of additional funds available for various airport projects; however, they required that projects be bid and construction completed by June 30, 2018, a 3-month window. With the help of the town’s Chief Procurement Officer, Airport Commission, Town Council and Town Leadership, the Airport was able to leverage funds for projects not typically funded by MassDOT Aeronautics, a savings of over \$430,000. The following projects were completed: drainage improvements at Hanger II, sanitary sewer connection and new parking lot; Café patio and door installation in the terminal café; airfield mowing equipment purchases; replacement of 12 large overhead garage doors in our maintenance facility; and airfield painting.
- Completed a Request for Proposal (RFP) process and bid acceptance to lease a 26-acre Airport property, commonly known as CapeTown Plaza allowing the airport to diversify their revenue stream with non-aviation related revenue.



Percentage of FY20 All Appropriated Funds



Airport Enterprise Fund comprises 3.82% of all appropriated funds.

Additional Recent Accomplishments

- Conducted a Mass Casualty Incident (MCI) Drill at the Barnstable Municipal Airport in September 2018. The Barnstable Municipal Airport and Hyannis Fire Department, with the cooperating efforts of various additional agencies conducted the drill to test the airport's response to a catastrophic event, a requirement of the FAA Part 139 Airport Certification held by the Barnstable Municipal Airport. The planning began in March 2018 and continued up until the exercise kicked off. This was the first time the triennial drill was expanded to have two (2) sites, the primary drill at the airport and a remote second site in Lewis Bay, consisting of on-water drill activities;
- Completed development of an Airport Business Plan and online tracking tool identifying key goals, objectives, and tasks for Airport Management to move the airport into the future with focus and vision. The main goals are: Maximize General Aviation Activity, Diversify Revenue Streams, Regional Air Transportation Leader, and Enhance Airport Image & Branding;
- Continued ongoing air service development efforts, as part of an informal regional Airport Manager's working group to seek additional air service individually and regionally; and to help foster mutual exchanges of airport best practices and to share airport information. Group is composed of the five regional airports at Barnstable (HYA), Nantucket (ACK), Martha's Vineyard (MVY), Provincetown (PVC) and New Bedford (EWB);
- Welcomed SpectaculAir - shared charter services with the focus on the Hyannis-Nantucket market;
- Continued to host the Collings Foundations' **WINGS OF FREEDOM TOUR** bringing vintage aircraft to the Cape displaying living history on the ground and in the skies. The tour brings extremely rare bomber and fighter aircraft including the North American B-25 Mitchell "Tondelayo", Boeing B-17 Flying Fortress "Nine O Nine" WWII Heavy Bomber, Consolidated B-24 Liberator "Witchcraft" WWII Heavy Bomber and P-51 Mustang fighter;



AIRPORT - AERIAL VIEW

Additional Recent Accomplishments (Continued)

- Continued into our fifth year of major air carrier service with JetBlue Airways offering seasonal daily direct flights between Hyannis and New York City (JFK Airport);
- Welcomed Ross/Rectrix Aviation to the airport family as they acquired Rectrix and Rectrix Shuttle and continue to provide air service between Hyannis and Nantucket and added another destination with flights to LaGuardia (LGA);
- Continued service in the summer 2018 with Peter Pan Bus Line adding a stop at Barnstable Municipal Airport in 2017 with their popular daily express route to Boston;
- Commenced an in depth ***Airport Rates and Charges Study*** to assess the airports fee based financial structure;
- Continued working with the Massachusetts Air and Space Museum as they establish themselves on the Cape by offering terminal space to display aviation history. Stay tuned for future installations within the airport terminal.
- Updated the airport website to offer a fresh look and more inviting social experience;
- Remained a collector of non-aviation related revenues from the airport's 6.669 megawatt (DC) ground mounted solar photovoltaic array. Revenues continue to exceed minimum annual guaranteed levels;
- Continued to work with Cape Cod Coffee of Mashpee as they establish themselves in Hyannis operating the Airport Café offering great coffee and scheduling community events at the airport location since October of 2017;
- Approved as a Gateway Airport for Presidential visits to Martha's Vineyard with the ability to offer security screenings for nearly 300 visiting aircraft;
- Advocated to support our local communities and activities by hosting the Cape Cod Concert Band for practices; the Veterans of Foreign Wars Post 2578 and the Marine Corps League Cape Cod Detachment 125; the Coast Guard Auxiliary Division 11; and the Cape Cod and Islands Art Educators Association Art Program; WeCan Empowering Women and a variety of other functions and meetings;
- Celebrated the 12th anniversary of the Cape Cod Young Professionals Back to Business Bash held in the airport's terminal in September 2018. This was the airport's third hosting of the Young Professionals in the terminal opening our doors to over 900 members;

Fiscal Year 2020 Goals and Objectives

(All Goals relate to the nine areas of the Town Council's Quality of Life Strategic Plan- See Introduction Section)

Short-Term:

1. Depending upon FAA and MassDOT Aeronautics funding availability **(SP: Finance and Infrastructure)**:
 - a. Complete a Comprehensive Airport Layout Plan/FAA Master Plan Update last updated in the mid-1990s including an Underground GIS Utilities Survey; alignment analysis of Taxiways Bravo, Delta and Echo; Runways 15/33 enhancements & improvements analysis for extending runway length; Engineered Material Arresting System (EMAS) replacement, obstruction analysis and aircraft parking demand analysis.
 - b. Replace snow removal and aircraft firefighting equipment/apparatus.
 - c. Improve airport access on the east side of the airport (Mary Dunn Way).
 - d. Continue to improve, repair, maintain and/or replace, various airport fixed assets as required and as approved, in the Capital Improvement Plan;
2. Take steps to increase airport revenues by developing a focused business plan that delves into a marketing and public relations plan that targets the airport's intended audiences, establishes a consistent and strong message, and spells out specific activities to communicate the airport's message and collective goals **(SP: Finance, Communication, and Education)**:
 - a. Maximize General Aviation Activity
 - b. Diversify Revenue Streams
 - c. Regional Air Transportation Leader
 - i. Continue to develop market strategies to attract additional prospective air carriers and scheduled air charter services to meet the Cape's demand for air travel. If feasible, work with the local community to develop an application for a USDOT Small Community Air Service Development (SCASD) grant proposal to provide financial assistance to enhance air service.
 - d. Enhance Airport Image & Branding.
3. Continue to work with new "on-call" airport architect to develop a 20-year airport preventative maintenance, repair, and replacement program for all airport-owned structures; and to include passenger terminal improvements to meet potential increased demand for scheduled air carrier services. **(SP: Finance and Infrastructure)**
4. Continue to work with new "on-call" airport engineers and planners to develop the airport and services. **(SP: Finance, Communication, and Infrastructure)**
5. Continue to improve community relations with consideration to develop support for the Airport's plans and to address efforts for noise and pollution abatement. **(SP: Communication, Education, and Public Health and Safety)**
6. Complete steps to respond to the Request for Information (RFI) issued by the MassDEP regarding an evaluation of potential releases of chemicals of emerging concern on airport property, as well as in hydrologically up and down gradient locations. **(SP: Communication, Education, and Public Health and Safety)**
7. Evaluate available technologies for improving noise reductions and storm-water and groundwater management. **(SP: Infrastructure, Communication, Education, and Public Health and Safety)**
8. Research and update the airport minimum standards. **(SP: Regulatory Process and Performance)**

Long-Term:

1. Work with tenants and potential developers to improve General Aviation (GA) business at the airport by building new/improved general aviation facilities and public facilities to meet the needs of general aviation demand and new marketing initiatives. Continue to explore all options to provide better airport support for general aviation needs such as: **(SP: Finance, Communication, Education, Infrastructure, and Economic Development)**
 - a. Addition of an aviation flight school
 - b. Improved customer service
 - c. Improved maintenance facilities
 - d. Improved access for GA pilots
 - e. Modification to Transportation Safety Administration (TSA) regulations to better accommodate GA
 - f. Improved utilization of the East Ramp and access points
 - g. Improved restaurant access on-airport
2. Continue to develop marketing strategies to attract additional prospective air carriers and scheduled air charter services to meet the Cape's demand for air travel. **(SP: Finance, Communication, Education, and Economic Development)**
3. Diversify the airport's revenue stream by looking into airport land development and other non-aviation sources of revenue. **(SP: Infrastructure and Economic Development)**
4. Serve as an integral component of the Cape Cod Transportation Plan and more effectively promote the use of all transportation modes to meet the regional demand for better transportation and parking services. **(SP: Infrastructure, Communication, and Economic Development)**
5. Continue working with the Town of Barnstable to develop Phase 3 for additional solar development at the airport. **(SP: Infrastructure and Economic Development)**
6. Depending upon FAA and MassDOT Aeronautics funding availability: **(SP: Infrastructure)**
 - a. Begin design and construction of various terminal building enhancements.
 - b. Initiate improvements to the Eastside airport access road.
 - c. Commence the design and reconstruction of the circa 1985 Runway 6/24.
 - d. Initiate new enhanced airport secure access control improvements to supplement prior security upgrades.
 - e. Implement the design and reconstruction of the circa 1995 Airport Snow Removal Equipment/Aircraft Rescue and Firefighting Facility.
 - f. Complete a new Vegetation Management Plan (VMP) and Airspace Study for the Airport.
 - g. Update the Airport utilities infrastructure systems plan; and complete a comprehensive database for all construction and engineering data at the airport.
 - h. Reconstruct and Re-Align Taxiways Delta, Echo and Bravo to meet Federal Aviation Administration (FAA) design criteria.
 - i. Continue to monitor nutrient loading from current and projected facilities and infrastructure on the East Ramp to determine need to construct a new Town sewer or install on-site proprietary denitrifying systems to be installed in stages as needed and obviate the need for a new sewer line, pump stations and a long force main;
 - j. Design and construct a new snow removal equipment storage building and T-Hangar.
 - k. Replace the circa 1997 Mo-Gas and Diesel Fuel Con-Vault, Gas Boy and alarm system.

Description of Airport Enterprise Fund Services Provided

The Barnstable Municipal Airport serves as a distinct commercial transportation hub for the residents of the Town of Barnstable and Cape Cod by meeting the regional demand for air transportation. For some, it provides very affordable and economic travel opportunities from Hyannis to other major destinations across the country, and yet for others, the airport provides a much-needed mode of travel to and from the Islands of Nantucket and Martha's Vineyard. This includes travel, tourism, and for a large professional labor force that commute to jobs. As documented in the Massachusetts Department of Transportation (MassDOT) Aeronautics Division FY 2014 Economic Impact Analysis, the Barnstable Airport, in conjunction with its tenants and associated businesses, provide employment opportunities for 2,135 people, with an annual payroll in excess of \$85.3 million, with a regional economic output in excess of \$208 million. In FY 2018, the Airport supported over 81,986 aircraft operations; and about 61,431 passengers embark to and debark from a variety of locations. Both airport operations and passenger activity has been on the decline over the past several years. Embarking on a new business plan and short and long-term goals will emphasize improving activity. These figures do not include a vast array of commercial charter passenger services, general aviation activities that include private and corporate passenger and freight services, and aviation flight services. From Hyannis, travelers are afforded many flight opportunities, to local and national destinations, including Nantucket and Martha's Vineyard, Boston, New York City and beyond.

The Barnstable Municipal Airport has met the requirements of the Title 49 USC, Subtitle VII – Aviation Program, and is authorized to operate as a certificated airport in accordance with, and subject to, said statute and the rules, regulations, and standards prescribed there under, including but not limited to, 14 CFR Part 139 and as approved in its Airport Certification Manual on file with the Federal Aviation Administration (FAA); and is approved as a public use airport in accordance with the provisions of Chapter 90, Section 39B of the General Laws of Massachusetts; and as such, is recertified on an annual basis by the FAA and the MassDOT Aeronautics Division.

A seven member Airport Commission appointed by the Town Council manages the Barnstable Airport. In FY 2018, the Airport employed 23 full-time employees who operate and maintain the Airport 24 hours a day, 7 days a week, and 365 days a year. The duties of airport personnel are both broad and varied, the FAA FAR Part 139 Airport Certification dictates many of which. The services are provided by three separate and distinct Airport Departments: Airport Operations, Airport Maintenance, and Airport Administration – that work together as a whole to provide mandated and required services.

Administration Department

The Administrative staff performs a myriad of administrative functions including but not limited to overseeing airport security, noise abatement and environmental response, billing, auditing and bookkeeping, contracting, construction oversight, capital planning, budgeting, grants administration, processing airport employee and tenant security identification files, personnel administration, overseeing leases, intergovernmental liaison, public relations, and communications.

Operations Department

The nine (9) full-time Operations employees are tasked with servicing tenant and transient aircraft, including transportation of passengers from these aircraft, and passenger transportation in the busy summer months to and from remote parking areas; performing wildlife management duties to keep flight operations safe; refueling aircraft; deicing aircraft; inspecting and ensuring a safe airfield; and responding to emergency situations with our Aircraft Rescue and Fire Fighting vehicles. Aircraft rescue response, as mandated by the Federal Aviation Administration, must be able to respond to and reach an accident site on the airfield within three minutes or less. Airport rescue personnel constantly train and participate in live drill exercises in order to stay proficient and ready to handle any aircraft emergency. The Hyannis Fire Department backs up the Airport rescue response, and once on scene, they assume the role of Incident Commander.

Maintenance Department

Upkeep of the airfield and airport facilities by our eight (8) full-time Maintenance employees takes precedence over all other maintenance tasks. Since Barnstable Airport is a certified FAA FAR Part 139 commercial service airport, any and all airside discrepancies must be documented and corrected as expeditiously as possible. Their duties include maintaining runways, taxiways, and ramps; painting airfield markings; mowing all grass areas in the 683 acre airport property; maintaining all airfield lighting; conducting all emergency and snow removal operations for the airfield and the terminal roadways; maintaining all airport owned buildings and grounds; and maintaining the fleet of vehicles needed to accomplish our mission.

Capital Program

The airport participates in the federally sponsored Airport Improvement Program (AIP), which is administered by the Federal Aviation Administration. This program has an entitlement component with funding being determined by enplanement levels. The airport's annual entitlement grant has been approximately \$1.2 million, and may be reduced to no less than \$1.0 million. These capital funds are supplemented by FAA discretionary funds when available. The airport also participates in the Massachusetts Department of Transportation Aeronautics Division's Aviation Safety and Maintenance Program (ASMP) that contributes a cost share for federally sponsored projects. The airport makes annual expenditures for required airfield rehabilitation projects using these funds. Federally sponsored grants to fund airport capital projects consist of costs being shared in a threefold process: the Federal Aviation Administration (FAA) at 90%, the Massachusetts Department of Transportation (MassDOT) Aeronautics Division at 5%, and a local (Airport) share of 5%. For non-federally sponsored projects that are eligible for ASMP funding, MassDOT will provide 80% and the local airport share will be at 20%. Any other projects will be fully funded by the use of available airport reserve funds. The revised FY20 capital plan includes \$3.86 million in airfield improvements and future planning, design and permitting for future airfield improvements. \$399,750 of airport reserves and \$2.46 million in federal and state reimbursable grant funds and \$1 million in bond issues will finance the program. Airport revenues will be used to pay any annual debt service requirements.

Airport Enterprise Fund Financial Summary

Factors Affecting Revenues

Airport activities are financed primarily through jet fuel sales, airport land lease fees, renewable energy, passenger traffic, vehicle parking, and other user fees collected from recreational, corporate, and commercial airlines and concessionaires. Jet fuel sales account for 65% of the airport's revenues and a measure of the Airport's competitiveness in the marketplace. The lease of a 26-acre Airport property, commonly known as CapeTown Plaza, provides a positive increase in this budget allowing the airport to diversify their revenue stream with non-aviation related revenues. The airport continues to collect other non-aviation revenue sources within this budget such as non-aviation related land leases, facility rental fees for events in the terminal and other airfield events.

The late 2015-bankruptcy filing by Island Airlines, Inc. continues to have a financial impact on the airport's operations with passenger and aircraft operations still on the decline. However, the loss of jet fuel sales to Island Airlines (annual purchase was approximately 250,000 gallons) has rebounded. The airport has also signed a number of new contracts for its discount jet fuel program and we are starting to see a rebound in jet fuel revenues back to pre-Island Airlines bankruptcy levels.

A nationwide pilot shortage still plagues the industry and has significantly affected existing airlines (Cape Air and Rectrix Shuttle) influencing the number of flight operations offered. The shortage has affected flight and passenger counts, which have decreased steadily over the past several years. The pilot decline has diversely affected airlines and other aviation industry businesses who have reported difficulties finding pilots to operate their fleet of aircraft. Currently, the problem appears to be more prevalent for regional and commuter type airlines rather than the mainline air carriers; thus affecting the airlines that currently serving Barnstable Municipal Airport (Cape Air and Rectrix Shuttle).

In addition to the pilot shortage, the airlines are still experiencing decreases in passenger traffic. There are a number of contributing factors however, a significant loss in passenger traffic between the Hyannis and Nantucket is attributed to the lower cost and trip frequency of the high-speed ferries now in operation; a good alternative travel option for our community as a region but an effect on the airport nonetheless. The new JetBlue seasonal service has been a boost in passenger traffic; however, the 2016 expanded service in the third year of operations did not provide the numbers needed to continue that expansion and in the coming seasons and thus, the Jet Blue schedule has diminished somewhat. Regardless, there are many changes happening in the industry and the airport will continue to try to capture a small part of potential increased service.

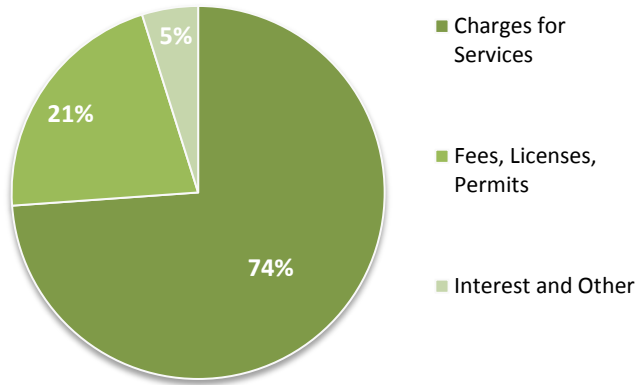
The loss in flight activity and passenger traffic has affected other businesses at the airport and as such, the rental car and parking concessions have declined. The overall effect may be somewhat mitigated if an additional new air carrier starts-up at the airport to provide new commuter services; and/or if any new or increased service by major airlines to other large hub destinations commences service. The airport will continue having those conversations with potential airline partners.

Fuel sales are more difficult to project due to the volatility in wholesale prices and the cyclical trends in the aviation industry. The airport's remaining jet fuel sales, however, are expected to increase slightly on an annual basis, as past trends will demonstrate.

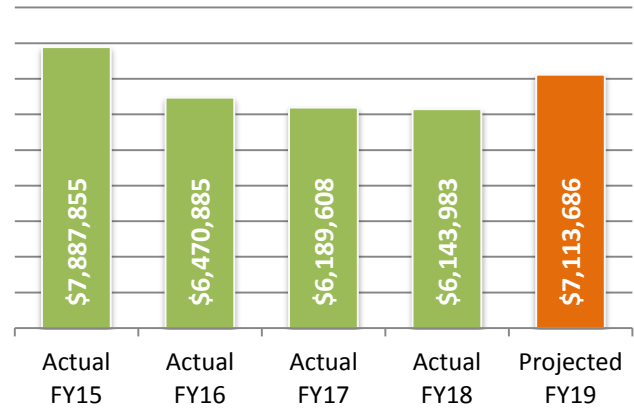
Modifications in our fee structure have been implemented and the Airport is now collecting fees that are more comparable to other nearby airports. Fee increases in landing, aircraft parking, and cargo fees have shown increasing trends and proven to make a difference in this budget. The modifications in such user fees will contribute towards repaying bonds issued to construct various facilities and other approved airfield improvements. Annual revenues from

the energy generated by the solar array are exceeding initial guaranteed projections. The first 12 months of revenues exceeded the guaranteed annual output (GAO) by 38%; and Fiscal Year 2018 revenues exceeded the GAO by 19%. New solar initiatives are being reviewed in concert with the Town to further increase revenues in out years.

FY20 Source of Funding



Airport Enterprise Fund Source of Funding History

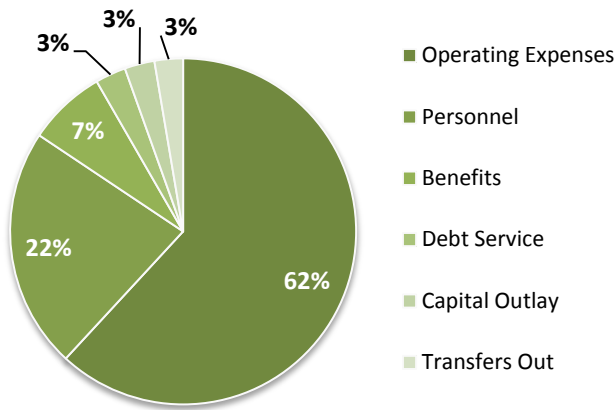


Charges for services are the largest revenue source at 74%, which Jet Fuel sales account for roughly 67% of that category. Fees, licenses, permits are the second largest at 21% and includes land leases. The anticipated new Capetown Plaza ground lease agreement will provide a resilient revenue source for the Airport.

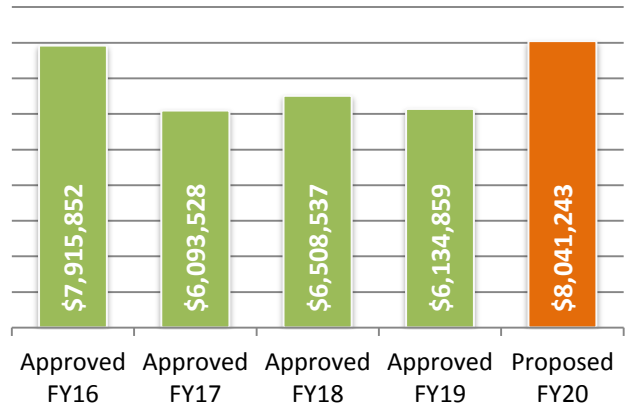
Factors Affecting Expenses

Expenses associated with personnel, operations, and maintenance will rise in response to projected increases in inflationary costs and union contracts. The annual loan payment for a bond issued to construct the new terminal is included in the budget as well as new debt service for the new fuel farm, the East Ramp construction project, and the taxiway Alpha reconstruction project. Other factors affecting this budget include an increasing need to replace safety, maintenance, and emergency equipment; and to perform required preventative maintenance repairs to existing buildings and airfield facilities in the operating capital budget. Increases have also been experienced in training fees to meet federal aviation requirements. Additionally, fees associated with airport security have also increased and federal grants that once offset those expenses have not been reestablished through the federal government. Operating capital expenses and capital improvement projects that have been deferred or reduced in scope to limit their impact on the airport reserves over the past several years have been returned to this budget.

Barnstable Municipal Airport
FY20 Budget by Expense Category



Barnstable Municipal Airport
Budget History



The operating expenses represent 62% of the total budget and personnel and benefits represent 29% of all spending. The Airport Enterprise Fund budget has increased from \$7.9 million in FY16 to \$8 million proposed FY20 over the five-year period, or 0.32% annually. The increase from FY19 to FY20 budget is primarily due to increased jet fuel purchase for resale and an account provision to replenish reserves.



FISCAL YEAR 2020

BARNSTABLE MUNICIPAL AIRPORT

ENTERPRISE FUNDS

Airport Enterprise Fund	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2018	FY 2019	FY 2019	FY 2020	FY19 - 20	Change
Intergovernmental Aid	\$ 110,040	\$ -	\$ 38,980	\$ -	\$ -	#DIV/0!
Fees, Licenses, Permits	659,729	673,251	716,258	1,710,018	1,036,767	153.99%
Charges for Services	5,013,524	4,807,281	5,879,946	5,940,222	1,132,941	23.57%
Interest and Other	360,690	354,064	478,502	391,003	36,939	10.43%
Total Operating Source of Funding	\$ 6,143,983	\$ 5,834,596	\$ 7,113,686	\$ 8,041,243	\$ 2,206,647	37.82%
Intergovernmental Aid	\$ 7,897,478	\$ 1,349,000	\$ -	\$ 2,460,250	\$ 1,111,250	82.38%
Borrowing Authorizations	-	-	-	1,000,000	1,000,000	#DIV/0!
Total Capital Source of Funding	\$ 7,897,478	\$ 1,349,000	\$ -	\$ 3,460,250	\$ 2,111,250	156.50%
Total Sources of Funding	\$ 14,041,461	\$ 7,183,596	\$ 7,113,686	\$ 11,501,493	\$ 4,317,897	60.11%
Expense Category						
Personnel	\$ 1,691,058	\$ 1,747,411	\$ 1,718,404	\$ 1,810,007	\$ 62,596	3.58%
Benefits	528,608	563,071	531,527	587,401	24,330	4.32%
Operating Expenses	3,607,408	3,419,523	4,062,861	4,974,758	1,555,235	45.48%
Capital Outlay	61,574	19,600	19,600	225,200	205,600	1048.98%
Debt Service	170,344	185,957	185,957	229,858	43,901	23.61%
Transfers Out	838,128	199,297	199,297	214,019	14,722	7.39%
Total Operating Budget	\$ 6,897,120	\$ 6,134,859	\$ 6,717,646	\$ 8,041,243	\$ 1,906,384	31.07%
Capital Improvements Program	\$ 7,229,148	\$ 1,420,000	\$ -	\$ 3,860,000	\$ 2,440,000	171.83%
Total Capital Expenses	\$ 7,229,148	\$ 1,420,000	\$ -	\$ 3,860,000	\$ 2,440,000	171.83%
Total Expenses	\$ 14,126,268	\$ 7,554,859	\$ 6,717,646	\$ 11,901,243	\$ 4,346,384	57.53%
Excess (Deficiency) Cash Basis	\$ (84,807)	\$ (371,263)	\$ 396,040	\$ (399,750)	\$ (28,487)	
Adjustment to accrual basis	4,135,560	-	-	-		
Beginning Net Assets per CAFR	67,170,918	71,221,671	71,221,671	71,617,711		
Ending Net Assets per CAFR	71,221,671	\$ 70,850,408	\$ 71,617,711	\$ 71,217,961		
Invested in capital assets, net of related debt (1)	(76,666,605)					
Invested in inventory (1)	(114,343)					
User fees receivable (1)	(248,208)					
Reserved for continuing appropriations (2)	232,252					
Reserved for subsequent year's budget (3)	(445,263)					
Reserved for encumbrances (4)	(225,927)					
Other post employment benefits obligation (5)	4,766,380					
Compensated absences (5)	112,992					
Net Pension Liability (5)	4,830,821					
Deferred Outflow of Resources (6)	61,411					
Net assets available for appropriation (free cash) (7)	\$ 3,525,181					

(1) These are non-cash assets which cannot be appropriated for expenditure. They would need to be converted to cash through sale or collection (accounts receivable) in order to become cash available for appropriation.

(2) This represents the portion of the airport enterprise fund's cash in the town's treasury that has been appropriated for a specific capital expenditure which still remains unexpended as of June 30, 2018.

(3) This amount represents the net assets appropriated for the subsequent fiscal year's capital program and operating budget.

(4) This amount represents a reservation of funds to cover obligations arising from purchase orders or contracts that is chargeable to, but not yet paid from, a specific appropriation account.

(5) These amounts represent liabilities that will be provided from future resources and not the net assets at the close of the fiscal year.

(6) This amount represents the deferred recognition of an outflow of resources related to future fiscal years.

(7) Amount certified by the Division of Local Services.

Summary of Significant Budget Changes

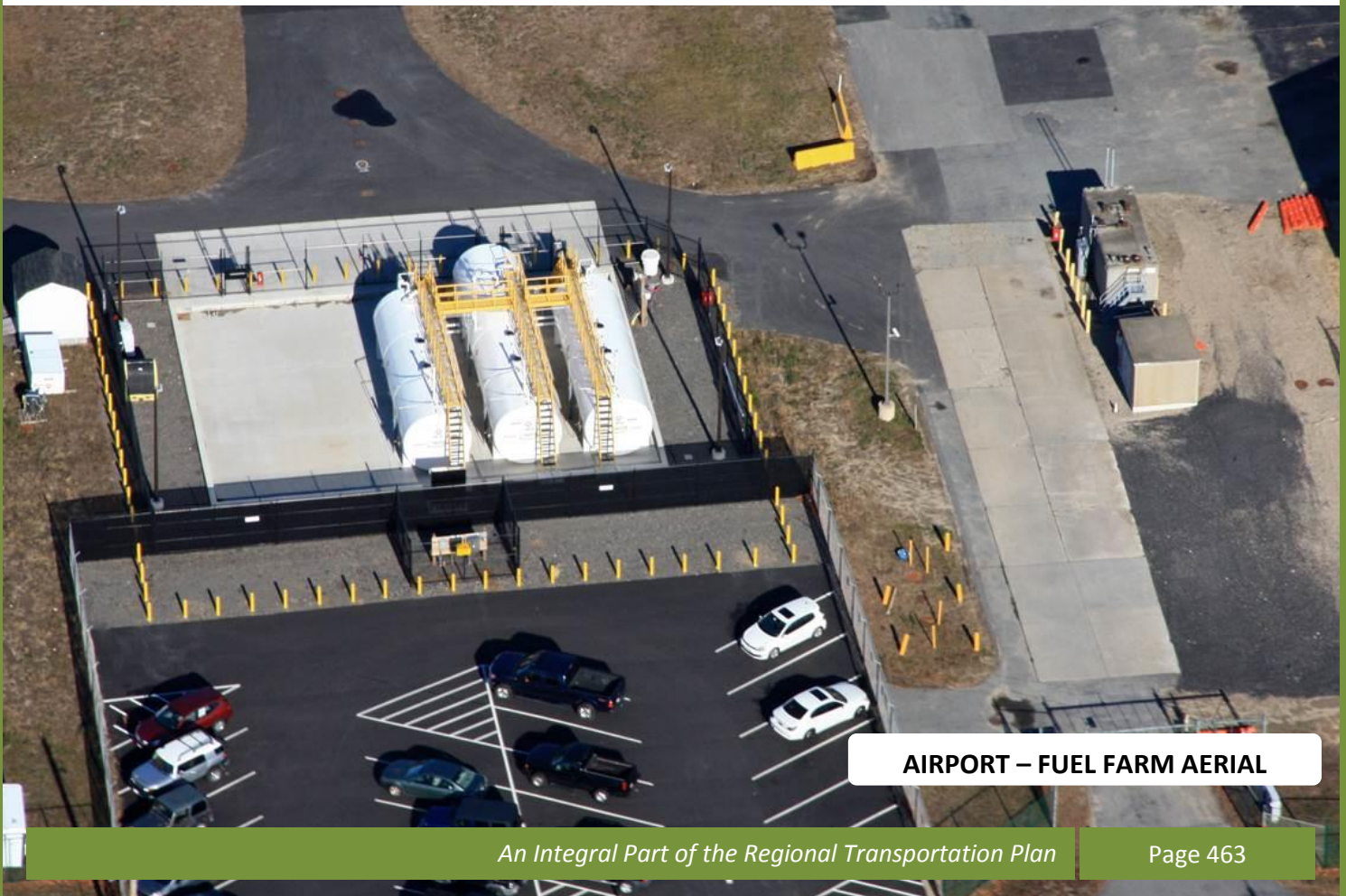
The Airport's FY20 proposed budget is increasing by \$1,906,384 or 31.07% over the FY19 budget. Personnel and benefit costs are increasing by \$86,926 due to contractual obligations. Operating costs are increasing by \$1,555,235, which includes \$201,770 for on-call services, \$525,754 for the increased cost in fuel purchases for resale, \$182,000 for police security detail, and \$558,520 as an account provision to replenish reserves. Capital Outlay cost of \$225,200 includes \$150,000 for annual airfield painting, \$3,200 replace electronic equipment, \$40,000 to rehabilitate general aviation public spaces, \$17,000 to purchase office management software and \$15,000 to replace operating security equipment. An increase in ground lease revenue and jet fuel sales will provide for then increase in the budget.

Additional Funding Recommended

- | | |
|---|--|
| 1. Annual Airfield Painting | \$150,000 Requested
\$150,000 Recommended |
| Funding operating capital request includes annual painting of airport runways, taxiways, and aprons in order to meet Federal Aviation Administration (FAA) 14 CFR Part 139 and Massachusetts Department of Transportation (MassDOT) – Aeronautics Division Inspection requirements to maintain the Airport FAA Certification (New Item & Replacement). In addition, all Airport-owned roadways require annual maintenance painting for roadway and pedestrian safety. This project combines both recurring painting requirements into one annual recurring painting contract. | |
| 2. Replacement of Gate J Cabling & Receiver (Electronic Equipment) | \$3,200 Requested
\$3,200 Recommended |
| Funding operating capital request includes upgrades for the automatic secure gate controllers that are failing at Gate J (Replacement). | |
| 3. Rehabilitate General Aviation and Airport Operations Public Space/Pilot Lounge | \$40,000 Requested
\$40,000 Recommended |
| Funding operating capital request for repair of building systems and components (New Item) and furniture/fixture replacement (Replacement). This project is to update dated and deteriorating interior spaces in the Aircraft Rescue and Firefighting (ARFF) Building, which also serves as the airport's Fixed Based Operation (FBO)/General Aviation Support Area where we cater to pilots, crew, and passengers/customers. | |
| 4. Purchase Office Management Software and Hardware | \$17,000 Requested
\$17,000 Recommended |
| Funding operating capital request for new software and hardware (New Item). This project includes office software to assist in the handling of various airport processes used for state and federal reporting requirements, billing purposes for our customers, reporting for airport commission, and forecasting as well as hardware (the purchase of two (2) additional iPad devices). | |
| 5. Replace Operating Security Equipment (Improvements) | \$15,000 Requested
\$15,000 Recommended |
| Funding multi-year operating capital request for replacement of existing outdated analog security cameras to be compatible with other existing digital (fiber connected) cameras and 9 new 2017 cameras installed by MassDOT, including all licenses, software and internet/Ethernet connections (Replacement). The airport operates 55 security cameras in and around the airport terminal, at various airfield gates and on the North and East aprons. In FY19, the airport replaced 3 of the 55 total cameras on property. This project includes replacement of three (3) more security cameras in FY20. Over the next few years, the Airport intends to replace 49 more cameras (10 in FY21, 10 in FY22, 10 in FY23, 10 in FY24 and 9 in FY25). Note that nine (9) of the 55 cameras were installed by MassDOT in 2016 with the state paying 100% for all nine (9) cameras. We anticipate replacing those units in FY 2025. | |

Full-time Equivalent Employees

Job Title	FY 2018	FY 2019	FY 2020	Change
Administrative Financial Assistant	1.00	1.00	1.00	-
Aircraft Rescue Fire Fighter	1.00	1.00	1.00	-
Airport Manager	1.00	1.00	1.00	-
Assistant Airport Manager	1.00	1.00	1.00	-
Assistant Operations Supervisor	1.00	1.00	1.00	-
Custodian	2.00	2.00	2.00	-
Executive Assistant to Airport Manager	1.00	1.00	1.00	-
Financial Analyst	1.00	1.00	1.00	-
Laborer Craftsperson	1.00	1.00	1.00	-
Maintenance Supervisor	1.00	1.00	1.00	-
Maintenance Technician	3.00	3.00	3.00	-
Mechanic Welder	1.00	1.00	1.00	-
Noise Abatement Officer	1.00	1.00	1.00	-
Operations Specialist	6.00	6.00	6.00	-
Operations Supervisor	1.00	1.00	1.00	-
Full-time Equivalent Employees	23.00	23.00	23.00	-



AIRPORT – FUEL FARM AERIAL

Performance Measures/Workload Indicators

Measure: To maintain a noise complaint ratio of less than 1 per 1,000 Airport Operations (includes landings/take-offs/instrument approaches/fly-bys/all flight operations controlled by the ATCT)

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2019 Projected
Airport Operations	96,501	94,777	97,063	81,986	80,000	75,000
Noise Complaints Received	30	81	176(32*)	40	43	40
Noise Complaints/1000 Airport Operations	0.31	0.85	1.81 (0.33*)	0.49	0.54	0.53

Note*: FY17 Noise complaints is an aberration due to receiving 131 calls from one individual; 11 calls from one individual; 8 calls from one individual; and 26 from all other complainants. A more realistic number would be 32 complainants and a ratio of 0.33.

Measure: Increase parking revenue per enplanement

	CY 2015 Actual	CY 2016 Actual	CY 2017 Actual	CY 2018 Actual	CY 2019 Estimated	CY 2019 Projected
Gross Parking Revenue	\$719,117	\$403,226	\$408,480	\$425,560	\$325,000	\$360,000
Enplanements (departing passengers)	65,790	49,735	43,257*	30,255	30,349	30,000
Gross Parking Revenues/Enplanement	\$ 10.93	\$ 8.11	\$ 9.44	\$ 14.07	\$ 10.71	\$ 12.00

Note*: Includes reported figures for Charter Flights and one airport based operation (11,800).

Measure: Increase rental car revenue per deplanement

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2019 Projected
Gross Rental Car Revenues	\$4,097,293	\$4,075,846	\$3,414,691	\$3,398,393	\$3,500,000	\$3,400,000
Deplanements (arriving passengers)	81,419	50,249	42,975*	31,241	30,000	30,000
Revenues/Deplanement	\$ 50.32	\$ 81.11	\$ 79.46	\$ 108.78	\$ 116.67	\$ 113.33

Note*: Includes reported figures for Charter Flights and one airport based operation (11,800).

Measure: Increase the gallons of jet fuel contracted

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2019 Projected
Gallons of Jet Fuel Contracted	200,001	270,001	250,001	325,000	325,000	375,000
Gallons of Jet Fuel Dispensed	1,016,397	902,084	794,275	803,595	765,000	800,000
Percentage of Jet Fuel Sales Contracted	19.68%	29.93%	31.48%	40.44%	42.48%	46.88%

Measure: Increase Renewable Energy Revenue over Guaranteed Annual Output (GAO)

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2019 Projected
Airport Net Benefit	\$ 125,380	\$ 376,889	\$ 322,440	\$ 381,522	\$ 333,164	\$ 340,650
Guaranteed Annual Output (GAO)	None	\$ 298,824	\$ 309,050	\$ 319,429	\$ 329,965	\$ 340,659

Performance Measures/Workload Indicators (Continued)

Revenue Variance from GAO	None	\$78,065	\$13,390	\$62,093	\$3,199	TBD
Net Revenue % Over GAO	0.00%	26.12%	4.33%	19.44%	0.97%	0.00%

Measure: Generate a positive budget variance every year

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2019 Projected
Surplus Used to Balance Budget	None	None	None	None	\$ 536,008	None
Surplus Generated (Used)	\$ 782,051	\$ 150,000	\$ 240,225	\$ 238,946	TBD	None
Positive Variance	\$ 782,051	\$ 150,000	\$ 240,225	\$ 238,946	\$ -	\$ -

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2019 Projected
Indicator: Number of airport operations recorded (includes landings/take offs/instrument approaches/fly-bys/all flight operations controlled by the ATCT)	96,301	94,777	97,063	81,986	70,000	70,000
Indicator: Number of airport noise complaints received	30	81	176	40	43	40

Indicator: Number of passengers on scheduled flights

Deplanements (arriving)	81,419	50,249	31,175	31,241	30,000	30,000
Enplanements (departing)	80,382	49,735	31,422	30,255	30,349	30,000
Indicator: Number of gallons of jet fuel dispensed sold	1,016,397	902,084	794,275	803,595	765,000	800,000
Indicator: Gross parking revenues - all pay parking lots	\$ 719,177	\$ 403,226	\$ 408,480	\$ 425,560	\$ 325,000	\$ 360,000
Indicator: Gross rental car revenues - all concessions at airport	\$ 4,097,293	\$ 4,075,846	\$ 3,414,691	\$ 3,398,393	\$ 3,500,000	\$ 3,400,000
Indicator: Renewable Energy gross revenues from solar array at the airport – system on line FY2015	\$ 125,380	\$ 376,889	\$ 322,440	\$ 381,522	\$ 333,164	\$ 340,650

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