

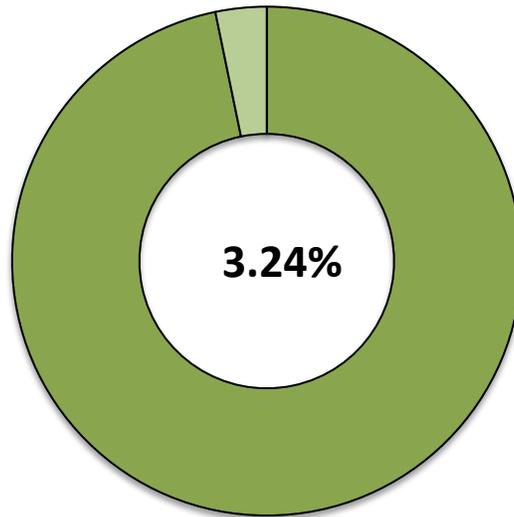
# BARNSTABLE MUNICIPAL AIRPORT ENTERPRISE FUND

## Department 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 for Cape Cod, 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.



Percentage of FY21 All Appropriated Funds



Airport Enterprise Fund comprises 3.24% of all appropriated funds.

## **BARNSTABLE MUNICIPAL 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 CY 2019 (FY 2020) Economic Impact Analysis, the Barnstable Airport, in conjunction with its tenants and associated businesses, provide employment opportunities for 1,724 people, with an annual payroll in excess of \$73.8 million, with a regional economic output in excess of \$157.2 million. The Airport is home to over 65 businesses/private users, with Cape Air, Rectrix (a Ross Aviation Company), Griffin Avionics, and the Federal Aviation Administration (FAA) making up the bulk of employees on the airfield.

In FY 2019, the Airport supported nearly 66,500 aircraft operations; and about 55,500 passengers embark to and disembark 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. The above figures do not include a vast array of commercial charter passenger services, general aviation activities that include private and corporate passenger, freight services, and other aviation flight services. As such, from Hyannis, travelers are afforded many flight opportunities, not just commercial flights but corporate and private flights to local and national destinations that include Nantucket and Martha's Vineyard, Boston, New York City and beyond.

In addition to aviation transportation activity, the Airport is also a space for the community with events held at the airport such as: Cape Cod Young Professional's Back to Business Bash, Aviation Career Fair, Duffy Health Center Gala and Electric Car Show to name a few.



***Barnstable Airport – Main Entrance***

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 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 2019, 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. Additionally, each year we encourage young professionals interested in aviation to build their resume and portfolio by working in either the Airport Operations or Maintenance Departments. 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.

**Enterprise Fund Services Provided (Continued)**

**Operations**

The nine (9) full-time Operations employees are asked to implement a number of duties. They are dedicated individuals tasked with servicing tenant and transient aircraft, including transportation of passengers, catering, fueling and passenger transportation in the busy summer months; performing inspections to meet Federal Aviation Administration regulatory requirements such as wildlife management, airfield management and security sweeps to keep flight operations and the general public safe; and refueling aircraft. Airport Operations personnel are also fully trained firefighters and respond to emergency situations with our Aircraft Rescue and Fire Fighting vehicles. Aircraft rescue response, as mandated by the FAA, 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 is a key resource for our staff and work hand-in-hand with Airport staff in rescue response, and once on scene, they assume the role of Incident Commander.

**Maintenance**

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. This team of devoted individuals sustain over 639 acres maintaining runways, taxiways, and ramps; painting airfield markings; mowing all grass areas; 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 preserving 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 FY21 capital plan includes \$6.7 million in airfield improvements and future planning, design and permitting for future airfield improvements. \$657,500 of airport reserves and \$2.6 million in federal and state reimbursable grant funds will finance the program. Airport revenues will be used to pay any annual debt service requirements.



***Barnstable Airport – Main Entrance Lobby***

## Enterprise Fund Recent Accomplishments

- Maintained compliance with all Federal & State airport safety and certification requirements.
- In FY2019, the Airport leveraged over \$1.2M for airfield improvements and future planning, design and permitting projects from the Federal Aviation Administration and the Massachusetts Department of Transportation (MassDOT) – Aeronautics Division. This included funding to begin an Airport Master Plan Update, replacements in snow removal equipment and development of an Airport Rates and Charges study.
- 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.
- 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;



**Barnstable Airport – Aerial View**

- 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;
- Welcomed SpectaculAir - shared charter services with the focus on the Hyannis-Nantucket market;

**Enterprise Fund Recent Accomplishments (Continued)**



**Barnstable Airport – Aerial View**

- 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);
- 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;
- Celebrated the 12<sup>th</sup> 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;
- 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;
- 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;
- 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;

**Goals and Objectives – Town Council’s Quality of Life Strategic Plan (SP)**

**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. 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)**
3. Continue to work with new “on-call” airport engineers and planners to develop the airport and services. **(SP: Finance, Communication, and Infrastructure)**
4. 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)**



**Barnstable Airport – Runway 15-33 Project**

5. 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, and Public Health and Safety)**
6. 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.
    - ii. Enhance Airport Image & Branding.
7. Evaluate available technologies for improving noise reductions and storm-water and groundwater management. **(SP: Infrastructure, Communication, Education, and Public Health and Safety)**

**Goals and Objectives (Continued) - Town Council's Quality of Life Strategic Plan (SP)**

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.

**BARNSTABLE MUNICIPAL AIRPORT**

**Enterprise Fund Budget Comparison**

<b>Airport Enterprise Fund</b>	<b>Actual</b>	<b>Projected</b>	<b>Approved</b>	<b>Proposed</b>	<b>Change</b>	<b>Percent</b>
<b>Source of Funding</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY20 - 21</b>	<b>Change</b>
Fees, Licenses, Permits	687,219	2,100,000	1,710,018	1,725,352	15,334	0.90%
Charges for Services	5,845,809	4,950,000	5,940,222	4,662,758	(1,277,464)	-21.51%
Interest and Other	538,170	451,675	391,003	453,517	62,514	15.99%
<b>Total Operating Source of Funding</b>	<b>\$7,071,198</b>	<b>\$7,511,035</b>	<b>\$8,041,243</b>	<b>\$6,841,627</b>	<b>(\$1,199,616)</b>	<b>-14.92%</b>
Intergovernmental Aid	66,890	2,460,250	2,460,250	1,332,500	-	0.00%
Borrowing Authorizations	455,500	1,000,000	1,000,000	-	-	0.00%
<b>Total Capital Source of Funding</b>	<b>\$522,390</b>	<b>\$3,460,250</b>	<b>\$3,460,250</b>	<b>\$1,332,500</b>	<b>(\$2,127,750)</b>	<b>-61.49%</b>
<b>Total Sources of Funding</b>	<b>\$7,593,588</b>	<b>\$10,971,285</b>	<b>\$11,501,493</b>	<b>\$8,174,127</b>	<b>(\$3,327,366)</b>	<b>-28.93%</b>
<b>Expense Category</b>						
Personnel	\$1,730,817	\$1,785,000	\$1,810,007	\$1,799,645	(\$10,362)	-0.57%
Benefits	511,549	560,000	587,401	560,074	(27,327)	-4.65%
Operating Expenses	3,875,259	4,500,000	4,974,758	4,012,690	(962,068)	-19.34%
Capital Outlay	12,223	140,000	225,200	47,500	(177,700)	-78.91%
Debt Service	187,616	229,858	229,858	228,450	(1,408)	-0.61%
Transfers Out	199,297	214,019	214,019	193,268	(20,751)	-9.70%
<b>Total Operating Budget</b>	<b>\$6,516,761</b>	<b>\$7,428,877</b>	<b>\$8,041,243</b>	<b>\$6,841,627</b>	<b>(\$1,199,616)</b>	<b>-14.92%</b>
Capital Improvements Program	102,319	3,860,000	3,860,000	1,700,000	(2,160,000)	-55.96%
<b>Total Capital Expenses</b>	<b>\$102,319</b>	<b>\$3,860,000</b>	<b>\$3,860,000</b>	<b>\$1,700,000</b>	<b>(\$2,160,000)</b>	<b>-55.96%</b>
<b>Total Expenses</b>	<b>\$6,619,080</b>	<b>\$11,288,877</b>	<b>\$11,901,243</b>	<b>\$8,541,627</b>	<b>(\$3,359,616)</b>	<b>-28.23%</b>
<b>Excess (Deficiency) Cash Basis</b>	<b>\$974,508</b>	<b>(\$317,592)</b>	<b>(\$399,750)</b>	<b>(\$367,500)</b>	<b>\$32,250</b>	

<b>Beginning Certified Free Cash</b>	<b>\$ 2,186,453</b>	<b>\$ 3,160,961</b>	<b>\$ 2,761,211</b>
<b>FY 2020 Projected Excess (Deficiency)</b>			<b>(317,592)</b>
<b>Ending Projected Certified Free Cash</b>	<b>\$ 3,160,961</b>	<b>\$ 2,761,211</b>	<b>\$ 2,076,119</b>

<b>Job Title</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>Change</b>
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	-
<b>Full-time Equivalent Employees</b>	<b>23.00</b>	<b>23.00</b>	<b>23.00</b>	<b>-</b>

**BARNSTABLE MUNICIPAL AIRPORT**

**Enterprise Fund Budget Comparison (Continued)**

Budget Reconciliation	Personnel	Operating	Capital Outlay	Totals	FTE
<b>FY 2020 Approved Budget</b>				<b>\$8,041,243</b>	
Contractual Obligations Net of Staff Turnover	17,629	-	-	<b>17,629</b>	-
Change in Indirect Costs	(21,735)	(20,751)	-	<b>(42,486)</b>	
One-Time Charges	(33,583)	(1,408)	(225,200)	<b>(260,191)</b>	-
<b>FY 2021 Budget Changes</b>					
1. Depreciation Line Item Budget Reduction	-	(438,520)	-	<b>(438,520)</b>	-
2. Special Events	-	5,000	-	<b>5,000</b>	-
3. Airfield Supplies	-	120,500	-	<b>120,500</b>	-
4. Jet Fuel for Sale Budget Reduction	-	(528,000)	-	<b>(528,000)</b>	-
5. FAA Security Standards	-	47,690	-	<b>47,690</b>	-
6. Ground Water Clean Up Budget Reduction	-	(100,000)	-	<b>(100,000)</b>	-
7. Various Budget Line Item Reductions	-	(68,738)	-	<b>(68,738)</b>	-
8. Fuel Truck/Farm Scully System	-	-	10,000	<b>10,000</b>	-
9. Ccure Security Replacement	-	-	35,000	<b>35,000</b>	-
10. Gates A, F and P Safety Edge	-	-	2,500	<b>2,500</b>	-
<b>FY 2021 Proposed Budget</b>	<b>(\$37,689)</b>	<b>(\$984,227)</b>	<b>(\$177,700)</b>	<b>\$6,841,627</b>	-

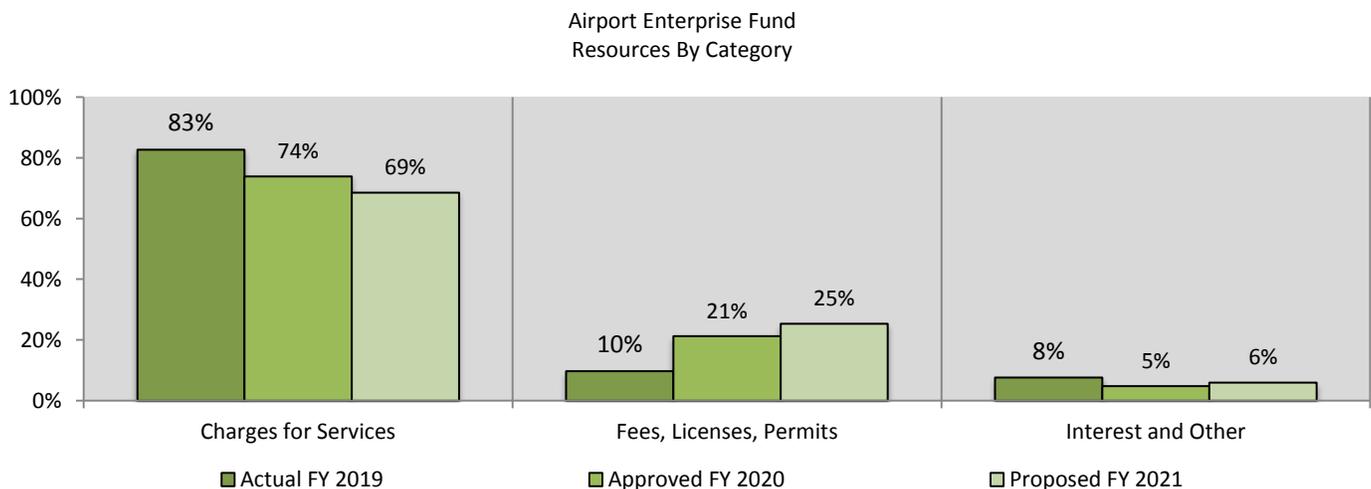
**Summary of Budget Changes**

The Airport's proposed FY 2021 budget is decreasing -14.92% from the FY 2020 budget. Reductions to the depreciation budget and jet fuel purchases for resale attribute the most to the budget change. The proposed FY 2021 budget includes requests for a fuel truck Scully system, updated software to the Ccure security system, and gate safety edge technology.

- 1. Depreciation Line Item Budget Reduction** – A placeholder budget line item to build up airport reserves, which is being reduced in the proposed FY 2021 budget.
- 2. Special Events** – A new line item to purchase and rent equipment for special events such as porta-potties, signs, tables, chairs, table clothes, etc.
- 3. Airfield Supplies** –Transfer the annual painting contract for Runways and Taxiway markings, and Airport owned roadways from the capital outlay to operating. The dollar amount is based on past painting projects and included funds for paint removal via grinding or water blasting as necessary.
- 4. Jet Fuel for Sale Budget Reduction** – Effects of COVID-19 is unknown but we should anticipate a significant reduction in operations.
- 5. FAA Security Standards** – MOU with BPD for Law Enforcement Officer Services for TSA Security services. As of January 2020, \$44,000 was established as TSA Grant for CY2020 (FY 2021). 5yr average (FY14-18) = \$223,000. Assume same hours but pay increases for officers @ say 3% above FY 2020 (3%) COLA. Federal funding is unknown.
- 6. Ground Water Clean Up Budget Reduction** –We have a contract with Horsley Witten - environmental consultants to monitor the sparging wells on the north ramp. Their on-call contract was moved to 616080 (Professional Services). As of FY 2020 HWG felt that we may be able to close the sparging wells as the ground water appears to have returned to acceptable levels. Anticipated closure date is before the close of FY 2020 (June 30, 2020). Additional funds for PFOS soils analysis and monitoring may be necessary moving forward and have been included in FY 2021 CIP. Site mitigation is planned for a June 30, 2020 completion and monitoring thereafter will be necessary in FY 2021. I have funding set aside in the FY 2021 CIP; therefore, I am excluding it from the Budget in FY 2021.

## Enterprise Fund Budget Comparison (Continued)

7. **Various Budget Line Item Reductions** – A town wide exercise was conducted for department managers to review their budgets for recommended budget reductions. This is a summation of budget lines that were adjusted and not consider as detrimental to services.
8. **Fuel Truck/Farm Scully System** – Per National Fire Protection Association (NFPA) 407 6.1.3.12.2.8 a Scully system or something similar with onboard control capabilities is required as a secondary shut down method to control flow of fuel from a fuel vehicle’s bottom loading valves (overflow protection). If the valve or pump fails to shut down fuel flow at the fill stand, the secondary on-board truck system will take over and shut down the vehicle’s bottom loading valve.
9. **Ccure Security Replacement** – CCURE 800 is a security management program to implement and monitor the Airport's access control doors and gates. The current software, CCURE 800, has reached its end of life, is over 20-years old, and will no longer be supported.
10. **Gates A, F, and P Safety Edge** - Add safety edge sensors to three gates that currently do not have this feature. Safety contact edges are touch-sensitive devices that detect presence at possible danger points of closing edges such as automatic gates. Used in conjunction with safety relays, the safety function is triggered when a person or object contacts the edge. They are typically installed near automatic gates and other machinery to protect individuals from bodily harm or machinery from damage.



### 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 46% of the airport’s revenues and are 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, which now accounts for 22% of total 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.

## **Enterprise Fund Budget Comparison (Continued)**

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.



***Barnstable Airport – Aerial View***

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.

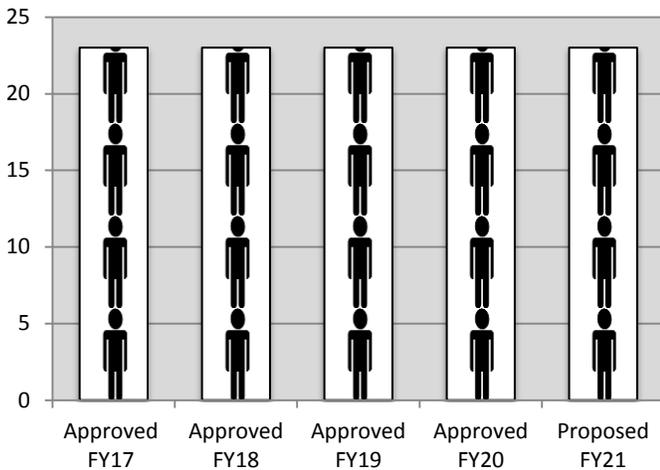
## Enterprise Fund Budget Comparison (Continued)

### 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.

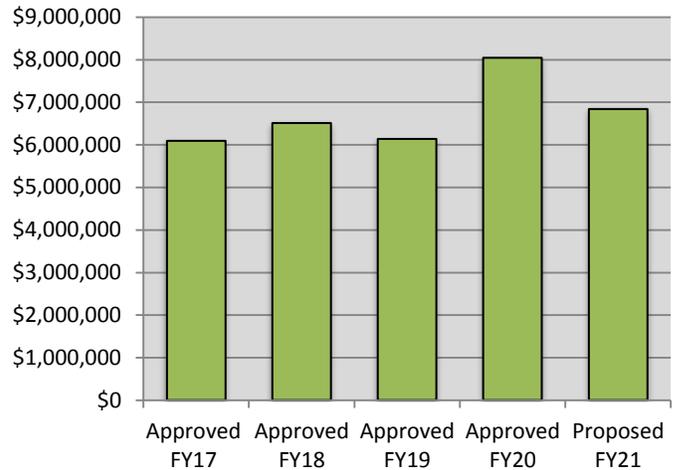
## Enterprise Fund Budget History

Airport Enterprise Fund  
Full Time Employee History



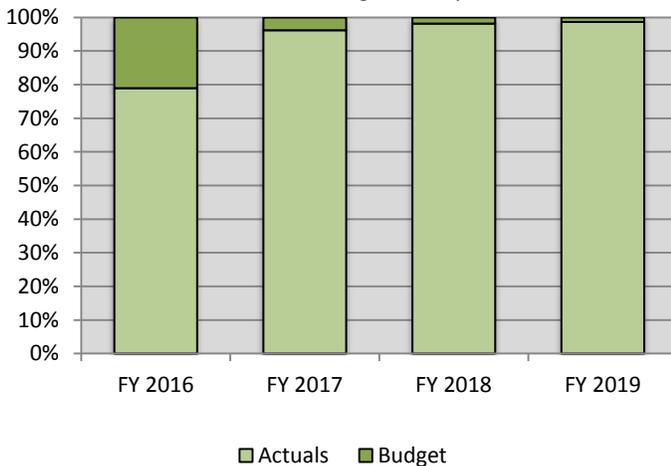
Full-time positions have remained level funded.

Airport Enterprise Fund  
Budget History



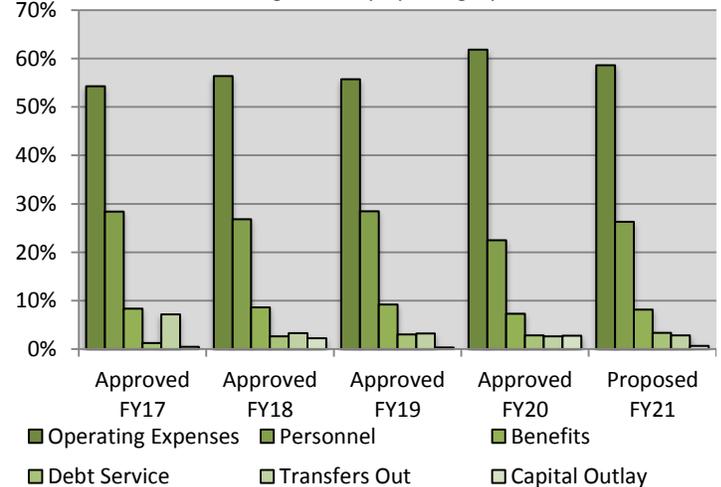
The Airport Enterprise Fund budget has increased 2.46% over the five-year period.

Airport Enterprise Fund  
Actuals to Budget History



Airport actual expenditures range 78% to 98% of annually approved budgets.

Airport Enterprise Fund  
Budget History By Category



The operating expenses represent 59% of the total budget.

**BARNSTABLE MUNICIPAL AIRPORT**

**Enterprise Fund 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 Actual	FY 2020 Projected
Airport Operations	96,501	94,777	97,063	81,986	66,452	65,000
Noise Complaints Received	30	81	176(32*)	83	50	40
Noise Complaints/1000 Airport Operations	0.31	0.85	1.81 (0.33*)	0.44	0.75	0.62

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 Actual	CY 2020 Projected
Gross Parking Revenue	\$719,117	\$403,226	\$408,480	\$425,560	\$393,983	\$360,000
Enplanements (departing passengers)	65,790	49,735	43,257*	29,457	24,951	20,000
Gross Parking Revenues/Enplanement	\$ 10.93	\$ 8.11	\$ 9.44	\$ 14.45	\$ 15.79	\$ 18.00

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 Actual	FY 2020 Projected
Gross Rental Car Revenues	\$4,097,293	\$4,075,846	\$3,414,691	\$3,398,393	\$3,582,161	\$3,500,000
Deplanements (arriving passengers)	81,419	50,249	42,975*	31,241	28,572	20,000
Revenues/Deplanement	\$ 50.32	\$ 81.11	\$ 79.46	\$ 108.78	\$ 125.37	\$ 175.00

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 Actual	FY 2020 Projected
Gallons of Jet Fuel Contracted	200,001	321,002	271,001	275,003	350,004	450,004
Gallons of Jet Fuel Dispensed	1,016,397	902,084	794,275	803,595	889,115	900,000
Percentage of Jet Fuel Sales Contracted	19.7%	35.6%	34.1%	34.2%	39.4%	50.0%

**BARNSTABLE MUNICIPAL AIRPORT**

**Enterprise Fund Workload Indicators (Continued)**

<b>Measure:</b> Increase Renewable Energy Revenue over Guaranteed Annual Output (GAO)						
	<b>FY 2015 Actual</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Actual</b>	<b>FY 2018 Actual</b>	<b>FY 2019 Actuals</b>	<b>FY 2020 Projected</b>
Airport Net Benefit	\$ 125,380	\$ 376,889	\$ 322,440	\$ 381,522	\$ 408,893	\$ 395,805
Guaranteed Annual Output (GAO)	None	\$ 298,824	\$ 309,050	\$ 319,429	\$ 329,965	\$ 329,965
Revenue Variance from GAO	None	\$ 78,065	\$ 13,390	\$ 62,093	\$ 78,928	\$ 65,840
<b>Net Revenue % Over GAO</b>	<b>0.00%</b>	<b>26.1%</b>	<b>4.3%</b>	<b>19.4%</b>	<b>23.9%</b>	<b>20.0%</b>
<b>Indicator:</b> 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	66,452	65,000
<b>Indicator:</b> Number of airport noise complaints received	30	81	176(32*)	83	50	40
<b>Indicator:</b> Number of passengers on scheduled flights						
Deplanements (arriving)	81,419	50,249	31,175	31,241	28,572	20,000
Enplanements (departing)	65,790	49,735	43,257*	29,457	24,951	20,000
<b>Indicator:</b> Number of gallons of jet fuel dispensed sold	1,016,397	902,084	794,275	765,000	765,000	765,000
<b>Indicator:</b> Gross parking revenues - all pay parking lots	\$1,016,397	\$902,084	\$794,275	\$803,595	\$889,115	\$900,000
<b>Indicator:</b> Gross rental car revenues - all concessions at airport	\$4,097,293	\$4,075,846	\$3,414,691	\$3,398,383	\$3,582,161	\$3,500,000
<b>Indicator:</b> Renewable Energy gross revenues from solar array at the airport – system on line FY2015	\$125,380	\$376,889	\$322,440	\$381,522	\$408,893	\$395,805