

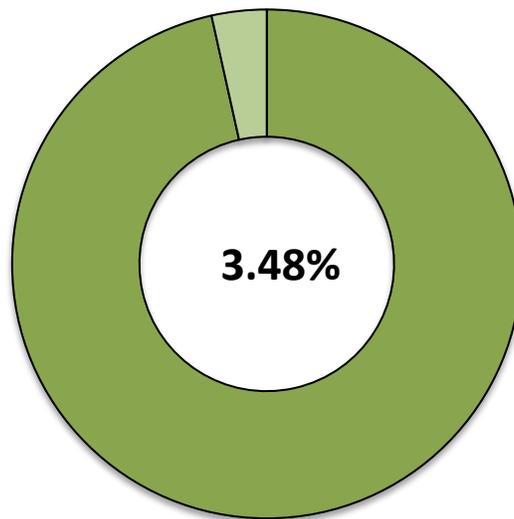
CAPE COD GATEWAY AIRPORT ENTERPRISE FUND

Department Purpose Statement

To provide a safe and convenient 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 for local Cape Cod residents and visitors to the region.



% of FY 2022 All Appropriated Funds



Airport Enterprise Fund comprises 3.48% of all appropriated funds.

Enterprise Fund Services Provided

The Cape Cod Gateway Airport (formerly 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 commuting opportunities for a large professional labor force.

Recent studies completed in 2018/2019 show that approximately 215,000 Cape Cod residents access the air transportation system via off-Cape airports, and another 200,000 arrive on Cape Cod, again using off-Cape airports. The Airport's Business Plan and Marketing Plan goals, developed in June 2018 are to identify better opportunities to accommodate these Cape Cod residents and visitors at the Cape Cod Gateway Airport by working with our existing and new potential airline partners to enhance existing and develop new commercial service moving into FY 2022 and beyond.

As documented in the Massachusetts Department of Transportation (MassDOT) Aeronautics Division CY 2019 (FY 2020) Economic Impact Analysis, the Cape Cod Gateway 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 and a regional economic output in excess of \$157.2 million. The Airport is home to over 65 businesses/private users, with Cape Air, Ross Aviation, Griffin Avionics, the Federal Aviation Administration (FAA), and the Transportation Security Administration (TSA) making up the bulk of employees on the airfield.

In FY 2020, the Airport supported nearly 65,000 aircraft operations (defined as either one landing or one takeoff, combined equals two operations) and approximately 40,000 passengers arrived and departed from a variety of locations. Unfortunately, both airport operations and passenger activity has been on the decline over the past several years.



JetBlue, Providing Seasonal Commercial Service To/From New York

Since FY 2007 airport operations have declined 50% from 130,500 total operations (FY 2007) to 65,000 (FY 2020). Passenger activity has declined 90% from 420,000 total passengers (FY 2007) to 40,000 (FY 2020). Declines are attributed to an industry wide pilot and mechanic shortage, increased competition from high-speed passenger ferries and the loss of several airlines, with the most recent being Island Airlines in December 2015. Implementing various goals of the 2018 Airport Business Plan and Marketing Plan will help to accentuate improving activity. The above figures reflected 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 not identified by the FAA in enplanement/deplanement data sets. Even with these declines, travelers are afforded a number of 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, Southeastern Massachusetts Aviation Career Fair, Duffy Health Center Gala and Electric Car Show to name a few.

Enterprise Fund Services Provided (Continued)

The Cape Cod Gateway Airport meets the requirements of Title 49 U.S. Code, Subtitle VII – Aviation Program, authorized to operate as a certificated airport in accordance with, and subject to, said statute and the rules, regulations, and standards prescribed there under. These include but are not limited to, 14 Code of Federal Regulations (CFR) Part 139 in which the Airport has been issued an airport operating certificate with a federally approved Airport Certification Manual (ACM) on file with the FAA; a certification allowing the Airport to serve scheduled and unscheduled passenger-carrying air carrier aircraft. With certification come extensive training for Airport personal in airfield safety and security, maintenance, aircraft rescue and firefighting and other airport emergencies, aircraft fueling, airfield lighting and pavement marking, and hazard management of both hazardous materials and wildlife. Additionally, the Airport is approved as a public use air transportation facility in accordance with the provisions of Chapter 90, Section 39B of the General Laws of Massachusetts. As such, the Airport is recertified annually by both the FAA and the MassDOT Aeronautics Division in which rigorous review and inspection of the Airport’s ACM, thrice-daily airfield inspection reports, pilot notifications, fueling facilities and associated trucks, employee training records, and a timed-response drill of aircraft rescue and firefighting capabilities; all conducted over a three-day period.

HYA Overview

- Professional
- Knowledgeable
- Passionate
- Great Team!

Annual Inspection Out-Brief Comments by FAA Certification Inspector, Stephen Barker – May 2019 (FY 2020)



Southeastern Massachusetts Inaugural Aviation Career Fair - October 2019 (FY 2020)

A seven member Airport Commission appointed by the Town Council creates policy for the Airport while Airport Management implements various programs and manages the day-to-day operations of the Airport. The Airport employs 23 full-time employees and 4-5 seasonal 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. Airport services are provided by three separate and distinct Airport Departments: Airport Administration, Airport Operations, and Airport Maintenance – that work together as a whole to provide mandated and required services.

Administration

The six (6) full-time Administrative staff include the Airport Manager and Assistant Airport Manager and four (4) administrative support staff that perform 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, and public relations.

Enterprise Fund Provided (Continued)

Operations

The nine (9) full-time Operations employees are asked to implement a number of duties. They are dedicated individuals tasked to: respond to any airport emergency with all nine trained as first responders in aircraft rescue and firefighting; perform thrice-daily inspections to meet FAA regulatory requirements such as wildlife management and airfield management and security patrols to keep flight operations and the general public safe; and serve tenant and transient aircraft, including catering, fueling and passenger transportation year-round. In FY 2020 the Operations Team safely and efficiently transferred 1 million gallons of aviation jet fuel from fuel tanks, to fuel trucks, to waiting aircraft by implementing various safety and spill prevention protocols. As indicated above, 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 the 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 to meet FAA requirements. This team of devoted individuals maintain over 639 acres of runways, taxiways, ramps, and parking lots; 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; overseeing airport airfield projects; and preserving the fleet of vehicles needed to accomplish our mission.



Airport Leased Jet-A Aviation Fuel Trucks

Capital Program

The airport participates in the federally sponsored Airport Improvement Program (AIP), which is administered by the FAA. 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 MassDOT 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 FAA at 90%, the 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 FY 2022 capital plan includes \$26.8 million in airfield improvements and future planning, design and permitting for future airfield improvements. Due to the receipt of funding via the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) grant, \$0 of airport reserves and \$26.8 million in federal and state reimbursable grant funds will finance the program. Airport revenues will be used to pay any annual debt service requirements linked to these projects as necessary.

Enterprise Fund Recent Accomplishments

Over the past 20-years, the Airport has seen some significant change including:

- ➔ Completion of a number of airport improvement projects, leveraging over \$73 million in grant funding for various airport related projects including rehabilitation of one runway, two taxiways, and associated aircraft parking aprons; construction of the present terminal building and air traffic control tower; equipment purchases to maintain and inspect the facility; and various other improvements to meet federal regulatory requirements and passenger and user needs.
- ➔ Implementation of a number of environmental enhancements that help reduce environmental impacts, help offset carbon emissions and to do our part as environmental stewards and stakeholders within the community such as:
 - Implementation and installation of storm water treatment facilities (8 Vortech Storm Water Treatment Systems);
 - Development of a 7 megawatt 20-acre solar array;
 - Upgrading airport street and parking lot lights to LED using Cape Light Compact's lighting program;
 - Execution of a 0.5 megawatt rooftop solar array system in coordination with Cape Air on two existing aircraft hangars owned by the airport making Cape Air, a net zero electricity user in Barnstable and saving over \$1 million between 2010 and 2020;
 - Installation of 8 electric vehicle (EV) charging stations;
 - Removal of underground fuel storage facilities and replacement of such structures with natural gas or above ground facilities;
 - Installation of a centralized aircraft washing and deicing pad that drains to the Barnstable Waste Water Treatment Plant;
 - Instituting paper reduction in the Airport Administration Office by moving to a digital footprint in various processes and purchasing reusable items for in-office staff use;
 - Procurement of propane and battery operated-solar powered airfield mowers through the Massachusetts Department of Transportation – Aeronautics Division (MassDOT) Leading by Example Greenhouse Gas Reduction Initiative; and
 - Continued execution of various Good Housekeeping Practices throughout the facility.
- ➔ Negotiation of a new lease, with assistance from Town of Barnstable Leadership, for a 26-acre parcel of airport managed land to WS Development (a.k.a K-Mart Plaza) to redevelop its retail footprint at *The Landing at Hyannis*.



Recent accomplishments include the following:

- ➔ Implemented a number of Airport Business Plan and Marketing Plan goals, objectives, and tasks. As part of the 2018 Airport Business Plan and Marketing Plan, four main goals were identified: to maximize general aviation activity at the Airport, diversify airport revenue streams, become a regional air transportation leader, and enhance the airport image and branding. Because goals, objectives, and tasks overlap from one fiscal year to the next, the aim is not to achieve 100% completion within a given fiscal year but to make a concerted effort within the fiscal year across all four goals. Priorities are selected at the beginning of each fiscal year to focus efforts. Recent accomplishments include the following:

Enterprise Fund Recent Accomplishments (Continued)

- Welcomed new tenants to the Airport; leasing airport property and other assets garnering \$40,000 in new annual revenue (*diversify airport revenue streams*);
- Courted and engaged Southern Airways Express to provide passenger air service to the Cape and Islands as the newest airline offering commercial service to/from the Airport (*become a regional air transportation leader*);
- Rebranded, selecting a new name and logo for the Airport – Cape Cod Gateway Airport (*enhance the airport image and branding*).
- Hosted a number of aviation educational events to entice young Cape area students to learn more about aviation as a career choice (*maximize general aviation activity at the airport*). This included:



Hosted Cub Scout Troop for an airport sleep over; coined, “Night at the Terminal”

- Hosting local Cub Scout Troop for an airport sleep over coined, “Night at the Terminal”, with various aviation related learning activities;
 - Hosting a number of Federal Aviation Administration Safety Seminars (FAASTeam) to local pilots - Safer Skies Through Education;
 - Hosting the first ever Aviation Career Fair in the airport terminal accommodating over 400 area students and providing them with the opportunity to meet and speak to over 40 aviation professionals learning more about aviation as a career choice; and
 - Hosting a number of Young Eagles events. Young Eagles is a program created by the US Experimental Aircraft Association designed to give children between the ages of 8 to 17 an opportunity to experience flight in a general aviation airplane while educating them about aviation. The program is offered free of charge with costs covered by the volunteers.
- Advocated to support our local communities and activities using the Airport’s facilities to host various events (*enhance the airport image and branding*), including:
 - Cape Cod Young Professionals Back to Business Bash;
 - 1st Electric Vehicle Car Show at the Airport;
 - Arts Barnstable - Art at the Airport;
 - We also accommodate a number of different non-profit entities on a year-round basis allowing them to use the facility free of charge for various meetings: the Cape Cod Concert Band and Brian Boru Pipe Band of Cape Cod for member 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.
 - Completed an in-depth Fuel Business Rates and Charges Study to assess the airports fee based financial structure (*maximize general aviation activity at the airport*).

Enterprise Fund Recent Accomplishments (Continued)

- Continued working with the Massachusetts Air and Space Museum as they establish themselves on the Cape by offering terminal space to display aviation history. New terminal displays have been installed year-round to promote the museum and aviation. The museum continues to welcome guests in their temporary space at “The Landing at Hyannis” *(maximize general aviation activity at the Airport and enhance the airport image and branding)*
 - Continued to develop updating the Airport Master Plan; a comprehensive study of the facility that will describe the short-, medium-, and long-term development plans to meet future aviation demand. The Airport continues to work with key stakeholders within the Town of Barnstable and the region on this important update *(maximizes general aviation activity at the Airport, diversify airport revenue streams, become a regional air transportation leader, and enhance the airport image and branding)*.
 - 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 *(diversify airport revenue streams)*.
- Additional accomplishments include:
- Continued maintenance and compliance with all Federal & State airport safety and certification requirements.
 - Leveraged over \$1.6M for airfield improvements, future planning, design and permitting projects from the FAA and the MassDOT – Aeronautics Division. This included funding to replace heavy equipment for snow removal and firefighting; asset maintenance (aircraft rescue and firefighting building roof replacement); and other airfield equipment purchases.
 - Completed our 7th year (2014 was the first flight) of major air carrier service with JetBlue Airways offering seasonal daily direct flights between Hyannis and New York City (JFK Airport).
 - Updated the Guidelines for Construction and Alteration at Cape Cod Gateway Airport. For over twenty years, the Airport Commission has worked with tenants to provide guidance on airport development for both new development and improvements to existing infrastructure that is either owned or leased by its tenants and associated businesses. Guidelines for Construction and Alteration were developed to assist tenants in receiving approvals from the Airport Commission for various development projects. The intent of this update is to encourage environmentally responsible “green” development of the Airport; to officially address green design and construction or to identify resources that help articulate ways to build/develop using green practices.



Collings Foundation, Inc. World War II American Heritage Collection Visits Cape Cod Gateway Airport

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

Short-Term:

1. Plan for (depending upon FAA and MassDOT Aeronautics Division funding availability) implementation of the following projects within the short-term 1-2 year development/planning horizon **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, and Infrastructure & Assets)**:
 - a. Completing an Environmental Assessment & Permitting for Short-Term Airport Master Plan Update Projects
 - b. Demolishing circa 1970 t-hangar and Design and Construct New Hangar with 6 units - replacement in kind. Hangar has passed its useful life and is a safety concern. Meets Business Plan Goal of facilities improvement for GA activity.
 - c. Designing and Constructing an Extension of Mary Dunn Way to Limit of Future Development including drainage, utilities and sanitary sewer. Including permit requirements.
 - d. Designing and Constructing a Replacement of Large Aircraft Fleet Hangar Doors.
 - e. Designing, Constructing and Replacing Runway 24 Departure End Safety Area Engineered Material Arresting System (EMAS) including Inspection and Field Strength Test.
 - f. Designing and Reconstructing Runway 6-24 Pavement (Approx. 4,700ft x 150ft.).
 - g. Reporting, Testing, and Monitoring of Mitigation Site for PFOS Soils - Phase III.
 - h. Replacing Snow Removal Equipment.
 - i. Designing and Constructing a Replacement of Fleet Hangar Façade, Windows, and Doors.
 - j. Replacing Airfield Mowing Equipment.
2. Continue investing in the development and implementation of a number of 2018 Airport Business Plan and Marketing Plan goals, objectives, and tasks. **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, Education, and Infrastructure & Assets)**
3. Continue working with “on-call” airport architect on the 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: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, and Infrastructure & Assets)**
4. Continue working with “on-call” airport engineers and planners to develop the airport and services. **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, and Infrastructure & Assets)**
5. Continue working with “on-call” airport environmental engineers and planners to plan a safe, efficient, and sustainable airport system and to maintain various permits, implement best practices for storm water pollution and prevention and continue efforts in environmental stewardship. **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, and Infrastructure & Assets)**

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

6. Remain working with "on-call" airport marketing team on our comprehensive marketing blueprint for a robust 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 for the 2018 Airport Business Plan & Marketing Plan. **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, Education, and Infrastructure & Assets)**
7. Continue to improve community relations with consideration to develop support for the Airport's plans and to address efforts for Economic Development, Environment and Natural Resources (noise and pollution abatement), Public Health and Safety, Regulatory Process & Performance, and Education. **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, and Education)**
8. Carry on with monitoring environmental impacts for potential releases of chemicals of emerging concern on airport property, as well as in hydro logically up and down gradient locations. **(SP: Environment and Natural Resources, Public Health and Safety, and Infrastructure & Assets)**
9. Communicate environmental stewardship and processes implemented to safeguard storm-water and groundwater management. **(SP: Environment and Natural Resources, Public Health and Safety, Education, and Infrastructure & Assets)**

Long-Term Goals:

1. Implement various Airport improvement projects outline in the Airport Master Plan Update including **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, Education, and Infrastructure & Assets):**
 - a. Extension of Runway 15-33
 - b. Improvement and Extension of Various Taxiways
 - c. Improvement and Expansion of the Existing Passenger Terminal
 - d. Development of Aircraft Hangars
 - e. Improving General Aviation (GA) business facilities by building new/improving existing to meet the needs of general aviation demand and new marketing initiatives.
 - i. Addition of an aviation flight school
 - ii. Improved maintenance facilities
 - iii. Improved access for GA pilots
 - iv. Improved utilization of the East Ramp and access points
 - v. Improved restaurant access on-airport
 - vi. Improved educational and aviation museum facilities
2. Research and update the airport minimum standards. **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, Education, and Infrastructure & Assets)**

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

3. 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: Economic Development and Infrastructure & Assets)**
4. Diversify the airport's revenue stream by continuing to add to the Airport's portfolio non-aviation sources of revenue. **(SP: Economic Development and Infrastructure & Assets)**
5. 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: Economic Development and Infrastructure & Assets)**
6. Continue working towards additional solar development at the airport and other "green" initiatives. **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, and Infrastructure & Assets)**

Master Plan Goals



The Airport Master Plan Update Includes in its Analysis: Airport Business Plan, Town Council Strategic Plan and Federal/State Goals.

CAPE COD GATEWAY AIRPORT

Enterprise Fund Budget Comparison

Airport Enterprise Fund	Actual	Projected	Approved	Proposed	Change	Percent
Source of Funding	FY 2020	FY 2021	FY 2021	FY 2022	FY21 - 22	Change
Intergovernmental Aid	\$48,340	\$3,318,302	\$44,000	\$58,400	\$0	32.73%
Fees, Licenses, Permits	2,226,726	1,494,119	1,725,352	1,776,777	51,425	2.98%
Charges for Services	5,497,859	5,090,222	4,662,758	5,160,250	497,492	10.67%
Interest and Other	450,642	470,238	409,517	426,338	16,821	4.11%
Total Operating Sources	\$8,223,567	\$10,372,881	\$6,841,627	\$7,421,765	\$580,138	8.48%
Intergovernmental Aid	485,221	-	2,240,000	-	-	-100.00%
Borrowing Authorizations	-	-	1,450,000	25,550,000	-	1662.07%
Total Capital Sources	\$485,221	\$0	\$3,690,000	\$25,550,000	\$21,860,000	592.41%
Total Sources of Funding	\$8,708,787	\$10,372,881	\$10,531,627	\$32,971,765	\$22,440,138	213.07%
Direct Operating Expenses						
Personnel	\$1,707,410	\$1,730,453	\$1,783,972	\$1,966,601	\$182,629	10.24%
Benefits	162,446	170,719	203,203	188,798	(14,405)	-7.09%
Operating Expenses	4,247,748	3,627,573	3,849,023	4,159,197	310,174	8.06%
Capital Outlay	8,436	47,500	47,500	126,000	78,500	165.26%
Debt Service	218,358	231,519	231,519	171,600	(59,919)	-25.88%
Transfers Out	201,000	-	-	-	-	0.00%
Total Direct Operating Expenses	\$6,545,398	\$5,807,764	\$6,115,217	\$6,612,196	\$496,979	8.13%
Indirect Operating Costs						
General Fund Staff	\$195,749	\$172,689	\$172,689	\$153,257	(19,432)	-11.25%
Pensions	332,584	334,432	334,432	356,898	22,466	6.72%
Audit & Software Costs	18,270	20,579	20,579	18,235	(2,344)	-11.39%
Property, Liability Insurance	165,309	163,667	163,667	182,880	19,213	11.74%
Workers' Compensation Ins.	29,321	4,720	4,720	67,543	62,823	1331.00%
Retirees Health Insurance	29,305	30,323	30,323	30,756	433	1.43%
Total Indirect Operating Expenses	\$770,538	\$726,410	\$726,410	\$809,569	\$83,159	11.45%
Total Operating Expenses	\$7,315,936	\$6,534,174	\$6,841,627	\$7,421,765	\$580,138	8.48%
Capital Improvements Program	971,218	-	3,940,000	26,202,000	22,262,000	565.03%
Total Capital Expenses	\$971,218	\$0	\$3,940,000	\$26,202,000	\$22,262,000	565.03%
Total Expenses	\$8,287,154	\$6,534,174	\$10,781,627	\$33,623,765	\$22,842,138	211.86%
Excess (Deficiency) Cash Basis	\$421,633	\$3,838,708	(\$250,000)	(\$652,000)	(\$402,000)	
Beginning Certified Free Cash	\$3,714,266		\$4,135,899	\$3,885,899		
FY 2021 Projected Excess (Deficiency)				3,838,708		
Ending Projected Certified Free Cash	\$4,135,899		\$3,885,899	\$7,072,607		

Summary of Budget Changes

Airport's proposed FY 2022 budget is increased by \$580,138 (8.48%) from the approved FY 2021 budget. Most of the increase in the proposed budget comes from personnel cost due to contractual obligations. Some of the operating budget change includes purchasing jet fuel for resale, on-call engineering services, and increased fuel truck insurance. Capital outlay costs include the replacement of two vehicles, gate replacement, and facility improvements and maintenance.

CAPE COD GATEWAY AIRPORT

Enterprise Fund Budget Comparison (Continued)

Job Title	FY 2020	FY 2021	FY 2022	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	-

Budget Reconciliation	Personnel	Operating	Capital Outlay	Totals	FTE
FY 2021 Approved Budget				\$6,841,627	
Contractual Obligations Net of Staff Turnover	122,494	-	-	122,494	-
Change in Indirect Costs	85,722	(2,563)	-	83,159	-
One-Time Charges	-	(89,471)	(47,500)	(136,971)	-
Debt Service	-	(59,919)	-	(59,919)	-
FY 2022 Budget Changes					
1. Seasonal Workers	12,730	-	-	12,730	-
2. Overtime	33,000	-	-	33,000	-
3. Repair & Maintenance Fuel Farm	-	16,000	-	16,000	-
4. Fuel Truck Rental	-	26,720	-	26,720	-
5. Professional Services Appraisal	-	15,000	-	15,000	-
6. Professional Services - Other	-	62,000	-	62,000	-
7. AVJET Fuel For Resale	-	128,000	-	128,000	-
8. Computer Software	-	22,975	-	22,975	-
9. Sign Supplies	-	48,700	-	48,700	-
10. Parts and Accessories	-	14,000	-	14,000	-
11. Sand	-	11,550	-	11,550	-
12. Firefighting	-	22,700	-	22,700	-
13. Legal/Litelegal/Labor	-	5,000	-	5,000	-
14. Training & Conferences	-	7,100	-	7,100	-
15. Hazardous Waste Disposal	-	8,000	-	8,000	-
16. Credit Card Service Charges	-	5,000	-	5,000	-
17. Fuel Truck Insurance	-	2,900	-	2,900	-
18. Vehicle Maintenance Services	-	4,000	-	4,000	-
19. Replace #98 Airfield Vehicle	-	-	40,000	40,000	-
20. Purchase Heavy Duty Vehicle	-	-	26,000	26,000	-
21. Gate Upgrades & Replacement	-	-	30,000	30,000	-
22. Facility Asset Improvements & Maintenance	-	-	30,000	30,000	-
FY 2022 Proposed Budget	\$253,946	\$247,692	\$78,500	\$7,421,765	-

Enterprise Fund Budget Comparison (Continued)

- 1. Temporary & Seasonal Employees** - In previous years, this included 4 seasonal (3 airport operations and 1 maintenance); this was reduced in FY2021 due to COVID. For FY2022 we will bring back 4 seasonal (3 airport operations and 1 maintenance) at \$16.75/hour (per HR). The maintenance seasonal is needed for landscaping assistance. The amount of fueling that we have been selling requires the 3 operations seasonal.
- 2. Overtime** - reflects salaries including snow removal costs and unreimbursed OT due to construction; plus additional funds for custodian OT due to loss of one FT position as well as Operations OT due to loss in one FT position and the need to backfill from time to time for PER, VAC, SICK.
- 3. Repair & Maintenance** - Cleaning of fuel tanks, this is based on the costs for the cleaning of Tank #3 earlier this FY plus factoring in escalation in price and disposal of solid waste drums with rags.
- 4. Fuel Truck Rental** - Ascent truck lease contract. Lease for 3 trucks for jet fuel services @ \$8,185/month (5K#32, 5K#31, 3K#30) = \$98,220/yr. Lease ends 2023.
- 5. Professional Appraisal Services** for property transactions if required. Fee at \$37,500 for FY19 for the Cape Town Plaza appraisal. The airport has three other parcels that may need appraisal in FY 2022.
- 6. Professional Services Other** - This includes all on-call services in FY 2022 for planning, engineering, architect, environmental, and inspections.
- 7. Jet fuel purchases** - Cost changes weekly. Amounts based on industry & general aviation projections and discount fuel pricing contracts. Forecasts call for oil prices to hold steady at about \$59 per barrel until 2021. After 2021 prices rise gradually and reach \$70 per barrel by 2030. The Airport currently has one jet fuel contract (Everest Fuel) as NetJets did not sign a new contract.
- 8. Computer Software** - Contracts for wx, noise & flight tracking, office/139 processes.
- 9. Signs and Supplies** - Sign-A-Rama and Plymouth Signs for upgrades and modifications on access road and in terminal as necessary. We will most likely replace signs with new branding. This will need to be a phased approach until we know what we are dealing with in terms of cost.
- 10. Parts and Accessories** - Vehicle maintenance costs. Average (FY16-20) is \$ = \$54K. We are also doing more in-house to maintain.
- 11. Sand** - FAA specified sand for airport operations. It depends on the winter season. Prices have gone up and more than doubled for FAA approved sand with limited vendors. We need at least 4 loads/season @ \$5,400/load or \$21,600. Due to mild FY2019 and 2020 winters we have not exhausted these funds but it must be available for any snow season as we cannot and do not use chemical treatment on runways, taxiways and ramps so this is our only alternative.
- 12. Firefighting** - FAA requirement and protective equipment - depends upon need and mandated training. Every three years must include MCI drill funding (next drill in FY2022 - CY2021 - September).

Enterprise Fund Budget Comparison (Continued)

- 13. Legal** - Airport & other attorneys as needed. FY18 and FY19 are anomalies as the Airport was dealing with two major issues (soils and DEP investigation due to PFOS and Kmart Plaza). The Airport anticipates other non-aviation agreements and leases that will need attorneys to process as well as a number of easements for tree clearing and/or master plan projects with environmental issues.
- 14. Training & Conferences** - Training includes requirements for staff to meet FAR Part 139 certification requirements and includes: live fire training in NH, fuel and fire safety, hazardous materials, CPR/First responder, OSHA annual, & other approved education courses to meet FAA requirements.
- 15. Hazardous Waste Disposal** - DEP requirement for costs associated with fueling operations; and PM contracts for Vortecs and OWSs. Jet Fuel disposal \$2K/yr. average; Used oil disposal \$1K/yr. average; Vortec and oil/water separator when needed is \$10k/yr.
- 16. Credit Card Service Charges** - The airport implemented the use of Square to charge CC for fuel (implemented in January 2019). Square has discounted CC rates that are negotiated and cheaper than us running the card with existing equipment. We have seen a savings in this line item but it depends on fuel sold out of contract (about 600,000 gallons over the past year was sold outside of a contract).
- 17. Fuel Truck Insurance** - \$736 per month (\$8,828 annually) fixed for three (3) leased trucks was the rate in CY2020 for older existing trucks. For FY2022 we will have 3 new trucks at a higher rate.
- 18. Vehicle Maintenance Services** - Vehicle maintenance that exceeds capability of one in-house mechanic - includes the use of outside repair services and estimates for major equipment repairs. We also must consider the age of many of our vehicles and the repair needs of our fleet. We are also completing more oil changes in house than in the past and that falls under this line item.
- 19. Operating Capital (Vehicles/Trucks) – Replace Airport #98 Airfield Vehicle** - Airport #98 is a 2008 Chevy Tahoe that has significantly deteriorated within the last few years despite routine maintenance. The vehicle chassis/frame has substantial rust, which is a known problem for Tahoe's sold between 1999 and 2013 with layers of the frame coming off and/or crumbling. Recently, the brake calipers were almost rusted through and caused an unsafe situation for staff. Additionally, the radios have failed on more than one occasion. The vehicle is now identified as a safety hazard and needs to be replaced as the vehicle may not be serviceable in one or two years.
- 20. Operating Capital (Vehicles/Trucks) – Purchase Heavy Duty Vehicular Lift for Airport Mechanic** - The Airport Welder-Mechanic maintains nearly 40 pieces of equipment including mowing, deicing, apron/tugs/auxiliary power units, aircraft refuels, snow removal, aircraft rescue and firefighting, and airport maintenance and operations equipment with the use of a floor jack to maintain these vehicles. With the Airport's varied equipment, not one floor jack can accommodate the varied weight and type of vehicles and equipment serviced at the Airport in the same way as a surface mounted lift. Additionally, the floor jacks now used were truly developed for compactness and temporary use not for daily/weekly maintenance. The surface mounted lift proposed will be bolted to the garage floor and powered by an electric motor which operates either a hydraulic pump or a screw type drive allowing the Airport Mechanic to stand beneath the vehicles; optimizing his/her safety, efficiency and versatility.

Enterprise Fund Budget Comparison (Continued)

- 21. Operating Capital (Electronic Equipment) – Gate Upgrades & Replacement** - Replace gate controller electrical cabinets. Project justification is to replace end of life equipment to ensure electronic security gates work properly to meet Transportation Security Administration protocols. Install Safety Edge. Project justification is to 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. Asphalt pad/gate loop sensor replacement. . Project justification is to replace end of life equipment to ensure electronic security gates work properly to meet Transportation Security Administration protocols.
- 22. Operating Capital (Buildings) – Airport Facility Asset Improvement & Maintenance** - The Airport recently completed development of its Business Plan to identify priority marketing and business efforts targeting goals that the airport is trying to meet to increase development, passenger throughput and airport use.

Enterprise Fund Budget Factors Affecting Revenues and Expenses

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 as well as emerging non-aviation revenue sources. Jet fuel sales and land leases are the highest revenue producers for the Airport and collectively account for approximately 45-60% of the airport's revenues. Jet fuel revenue averages between \$1M and \$1.2M annually depending on the price of fuel and gallons sold in a given year, but it is also the highest expense item (Jet fuel purchases for resale). Land leases are the second highest revenue generator for the Airport.

The decline in passenger and aircraft operations continues to have a financial impact on the airport's revenue; because of these declines, the Airport strives more than ever to implement the various goals, objectives and tasks of the 2018 Airport Business Plan and Marketing Plan: to maximize general aviation activity at the Airport, diversify airport revenue streams, become a regional air transportation leader, and enhance the airport image and branding. Diversifying the airport revenue stream is one of the highest priorities of the plan allowing the airport to remain self-sufficient and diversified enough to weather any impact. A more equal diversification between aviation and non-aviation revenues is paramount to the Airport's success. The lease of a 26-acre Airport property, commonly known as *CapeTown Plaza* but renamed *WS Landing at Hyannis*, for retail/non-aviation use provides a positive increase in the Airport budget. The Airport continues to collect from other non-aviation revenue sources within this budget such as non-aviation related land leases for vehicle parking, facility rental fees for events in the terminal and other non-aviation related events.

A nationwide pilot shortage still plagues the industry and has significantly affected existing airlines 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 adversely 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 serves Cape Cod Gateway Airport.

Enterprise Fund Budget Factors Affecting Revenues and Expenses

In addition to the pilot shortage, the airlines are still experiencing decreases in passenger traffic. There are a number of contributing factors however, the majority of flights to/from the Airport are to the Islands of Nantucket and Martha's Vineyard, and a significant loss in passenger traffic between Hyannis and the islands 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. However, the Airport is augmenting some of that loss with new land lease revenue for passenger vehicle parking; customers of the high-speed ferries.

The 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 following seasons (2017-2020) JetBlue's schedule has diminished somewhat. Regardless, there are many changes happening in the industry and the airport will continue to try to capture any potential increase in 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 with additional new air carrier activity to provide new commuter services, such as the entrance of Southern Airways Express in July 2020; and/or if any new or increased service by major airlines to other large hub destinations commence service. The airport will continue having conversations with potential airline partners and continue on the path and goals of the 2018 Airport Business Plan and Marketing Plan to bring in new service.

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. During the pandemic, the Airport experienced a significant increase in fuel sales, mostly in the corporate aviation sector.

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. In FY 2020 revenues exceeded the guaranteed annual output (GAO) by 9%. New solar initiatives are being reviewed in concert with the Town to further increase revenues in out years; and continue with the diversification of the Airport's revenues.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748, Public Law 116-136) (PDF), signed into law by President Trump on March 27, 2020, includes \$10 billion in funds to be awarded as economic relief to eligible U.S. airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic. CARES Act Airport Grants were determined based on a formula and grouping system developed by the FAA. Based on the formula, Cape Cod Gateway Airport received a \$17,971,966 grant that can be used over a 4-year period (June 25, 2020 – June 24, 2024) to cover operating expenses. Cape Cod Gateway Airport may use these funds for any purpose for which airport revenues may be lawfully used per the FAA's Policy and Procedures Concerning the Use of Airport Revenues ("Revenue Use Policy"), 64 Federal Register 7696 (64 FR 7696), as amended by 78 Federal Register 55330 (78 FR 55330). The Revenue

Enterprise Fund Budget Factors Affecting Revenues and Expenses

Use Policy document defines permitted and prohibited uses of airport revenue. In addition to the detailed guidance in the Revenue Use Policy, the CARES Act makes clear that the funds may only be used for and related to the airport.

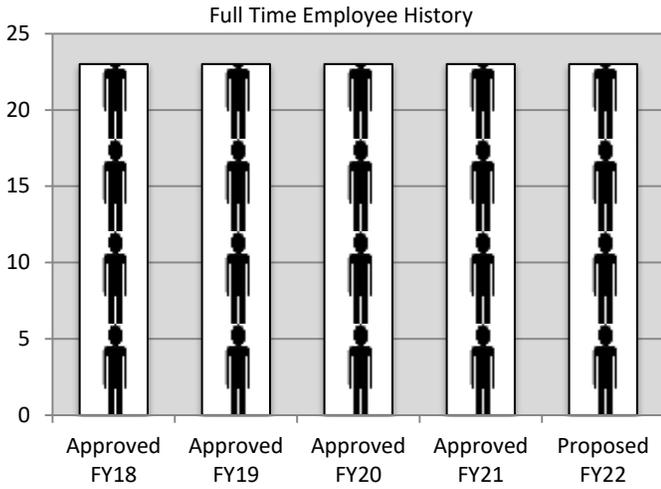
Additionally, Airport Management in concert with and with approval from the Airport Commission prioritized grant use by grouping CARES Act funding into 4 priority or tiered categories:

- **Tier 1** - Operating Budget Priorities - used to cover recurring debt
- **Tier 2** - Deferred Operating Priorities - used for projects deferred during COVID-19 crisis and resiliency project implementation
- **Tier 3** - Safety & Capital Project Priorities - used for local share capital match projects
- **Tier 4** - Business Plan Project Priorities - used for business plan development to improve economic impact

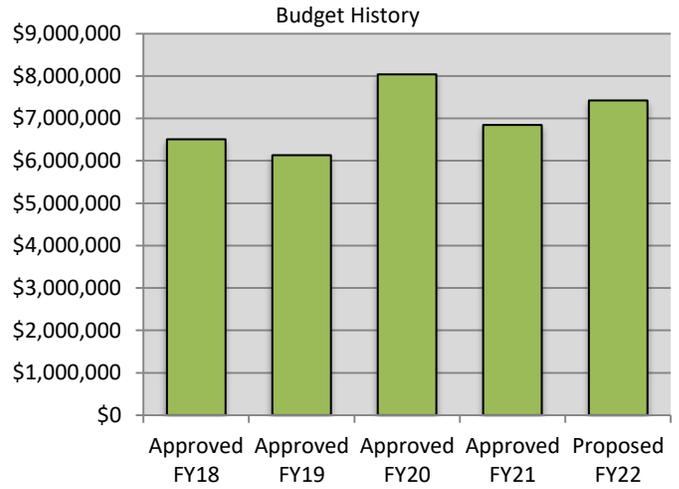
Factors Affecting Expenses

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; however, callable bonds will be paid off with use of the CARES Act grant. 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.

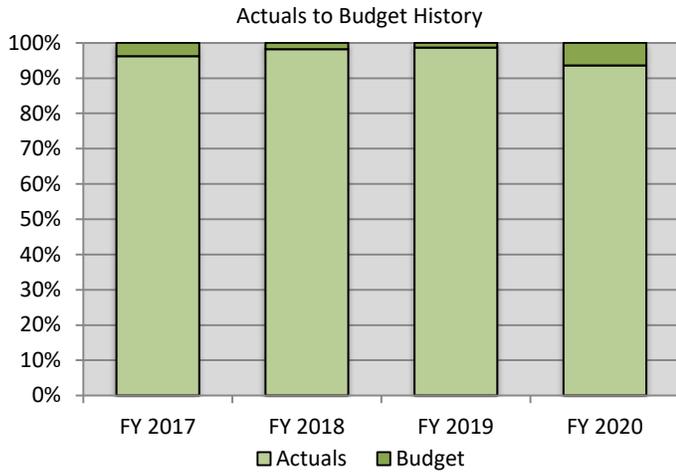
Airport Enterprise Fund Budget History



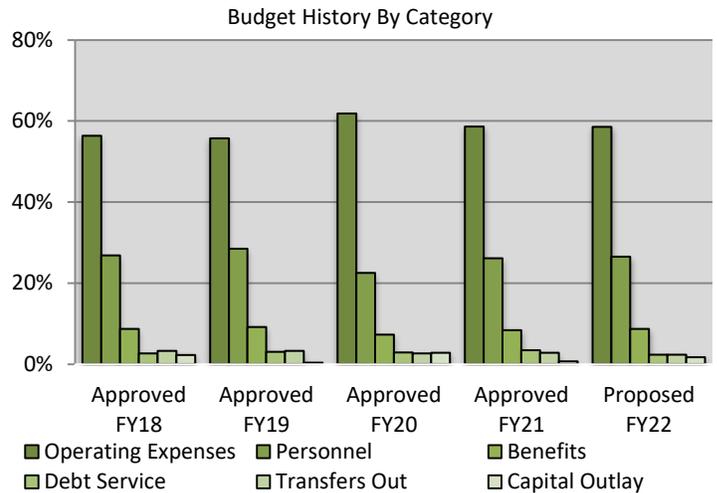
Full-time positions have remained level funded.



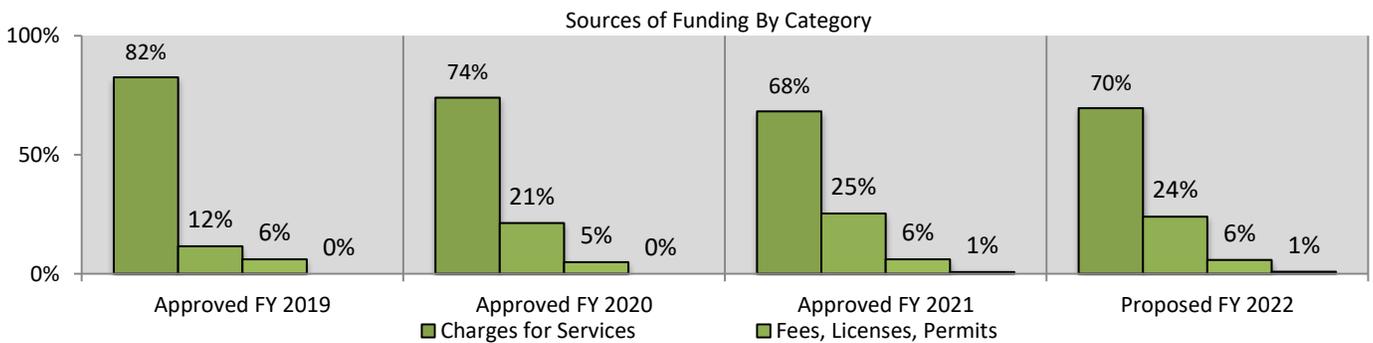
The Airport Enterprise Fund budget has increased 2.81% annually on average over the five-year period.



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



The operating expenses represent 59% of the total budget.



Charges for Services represent 70% of the airports sources of funding. Jet fuel sales and rental properties account for most of this categories revenue source.

CAPE COD GATEWAY 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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Projected
Airport Operations	94,777	97,063	81,986	69,662	56,384	60,000
Noise Complaints Received	81	176(32*)	83	50	83	50
Noise Complaints/1000 Airport Operations	0.85	1.81 (0.33*)	0.44	0.72	1.47	0.83

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 0.32.

Note:** It is assumed that CY2020 increases are attributable to COVID-19 and more residents working remotely from their homes as actual operations declined

Measure: Increase parking revenue per enplanement

	CY 2016 Actual	CY 2017 Actual	CY 2018 Actual	CY 2019 Actual	CY 2020 Actual	CY 2021 Projected
Gross Parking Revenue	\$403,226	\$408,480	\$425,560	\$393,983	\$393,983	\$360,000
Enplanements (departing passengers)	49,735	43,257*	29,457	24,951	10,871	10,327
Gross Parking Revenues/Enplanement	\$ 8.11	\$ 9.44	\$14.45	\$15.79	\$36.24	\$34.86

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

Measure: Increase rental car revenue per deplanement

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Projected
Gross Rental Car Revenues	\$4,075,846	\$3,414,691	\$3,398,393	\$3,582,161	\$3,636,503	\$3,500,000
Deplanements (arriving passengers)	50,249	42,975*	31,241	28,572	18,736	17,799
Revenues/Deplanement	\$ 81.11	\$ 79.46	\$ 108.78	\$125.37	\$194.09	\$196.64

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

Measure: Increase the gallons of jet fuel contracted

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Projected
Gallons of Jet Fuel Contracted	321,002	271,001	275,003	350,004	350,004	450,004
Gallons of Jet Fuel Dispensed	902,084	794,275	803,595	889,115	938,423	900,000
Percentage of Jet Fuel Sales Contracted	35.6%	34.1%	34.2%	39.4%	37.3%	50.0%

Note*: Includes loss of Island Airlines due to bankruptcy

CAPE COD GATEWAY AIRPORT

Enterprise Fund Workload Indicators (Continued)

Measure: Increase Renewable Energy Revenue over Guaranteed Annual Output (GAO)						
	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Projected
Airport Net Benefit	\$ 376,889	\$ 322,440	\$ 381,522	\$408,893	\$371,738	\$351,517
Guaranteed Annual Output (GAO)	\$ 298,824	\$ 309,050	\$ 319,429	\$329,965	\$340,659	\$351,517
Revenue Variance from GAO	\$ 78,065	\$ 13,390	\$ 62,093	\$78,928	\$31,079	\$0
Net Revenue % Over GAO	26.1%	4.3%	19.4%	23.9%	9.1%	0.0%
Indicator: Number of airport operations recorded (includes landings/take offs/instrument approaches/fly-bys/all flight operations controlled by the ATCT)	94,777	97,063	81,986	66,452	64,834	61,500
Indicator: Number of airport noise complaints received	81	176(32*)	83	50	83	50
Indicator: Number of passengers on scheduled flights						
Deplanements (arriving)	50,249	31,175	31,241	28,572	28,572	18,736
Enplanements (departing)	49,735	43,257*	29,457	24,951	24,951	20,177
Indicator: Number of gallons of jet fuel dispensed sold	902,084	794,275	765,000	765,000	765,000	765,000
Indicator: Gross parking revenues - all pay parking lots	\$902,084	\$794,275	\$803,595	\$889,115	\$393,983	TBD
Indicator: Gross rental car revenues - all concessions at airport	\$4,075,846	\$3,414,691	\$3,398,383	\$3,582,161	\$3,582,161	\$3,636,503
Indicator: Renewable Energy gross revenues from solar array at the airport – system on line FY2015	\$376,889	\$322,440	\$381,522	\$408,893	\$408,893	\$371,738