

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

**FY 2018/2019**

**BUDGET AND BUDGET OVERVIEW**



**Hollywood  
Burbank**  
Airport

**ADOPTED: JUNE 18, 2018**

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**ADOPTED FY 2018/2019 ("FY 2019") BUDGET**

**SOURCES OF FUNDS: SUMMARY**

	Adopted Budget FY 2019	Adopted Budget FY 2018	\$ Change
Rentals	\$14,530,000	\$13,840,000	\$690,000
Parking	20,940,000	19,125,000	1,815,000
Concessions	9,800,000	8,850,000	950,000
Landing Fees	4,060,000	3,235,000	825,000
Investment Income	3,400,000	2,650,000	750,000
Ground Transportation	3,030,000	2,145,000	885,000
Other Revenues	935,000	1,035,000	(100,000)
<b>Total Operating Revenues</b>	<b>\$56,695,000</b>	<b>\$50,880,000</b>	<b>\$5,815,000</b>
PFC Revenues / Reserves	\$9,184,968	\$5,242,120	\$3,942,848
AIP / Other Grants	8,300,032	10,737,880	(2,437,848)
Facility Development Reserve Funds	1,875,000	4,680,000	(2,805,000)
CFC Fees: 2012 Bond Issue	5,400,000	5,040,000	360,000
Facility Rent - RAC: 2012 Bond Issue	436,911	794,996	(358,085)
Facility Rent - RAC: Loan Principal	290,870	255,930	34,940
<b>Total Nonoperating Sources</b>	<b>\$25,487,781</b>	<b>\$26,750,926</b>	<b>(\$1,263,145)</b>
<b>Total</b>	<b>\$82,182,781</b>	<b>\$77,630,926</b>	<b>\$4,551,855</b>

**USES OF FUNDS: SUMMARY**

	Adopted Budget FY 2019	Adopted Budget FY 2018	\$ Change
Bond P & I (2012 Issue)	\$5,836,911	\$5,834,996	\$1,915
Bond P & I (2015 Issue)	4,563,500	4,565,750	(2,250)
Subtotal Debt Service	10,400,411	10,400,746	(335)
Operations and Maintenance	46,170,884	43,682,720	2,488,164
<b>Total Operating Expenses</b>	<b>\$56,571,295</b>	<b>\$54,083,466</b>	<b>\$2,487,829</b>
Facility Improvements			
Noise Mitigation / Abatement	\$500,000	\$1,000,000	(\$500,000)
Other Improvements	18,280,000	16,460,000	1,820,000
Development	3,675,000	3,200,000	475,000
<b>Total Improvement Program</b>	<b>\$22,455,000</b>	<b>\$20,660,000</b>	<b>\$1,795,000</b>
Additional O & M Reserve	\$622,041	\$582,420	\$39,621
Facility Dev. Fund Reimbursement	\$290,870	\$255,930	\$34,940
Parking Tax	\$2,243,575	\$2,049,110	\$194,465
<b>Total</b>	<b>\$82,182,781</b>	<b>\$77,630,926</b>	<b>\$4,551,855</b>

**ADOPTED FY 2018/2019 ("FY 2019") BUDGET  
OPERATIONS & MAINTENANCE ("O & M") EXPENDITURES**

<b>ACCT #</b>	<b>DESCRIPTION</b>	<b>ADOPTED BUDGET FY 2019</b>	<b>ADOPTED BUDGET FY 2018</b>	<b>\$ AMOUNT CHANGE</b>
8000	Regular Wages	\$3,085,788	\$2,882,067	\$203,721
8012	Overtime Wages	325,000	310,000	15,000
8100	Sick Leave	255,495	243,420	12,075
8102	Vacation	252,502	237,675	14,827
8103	Payroll Taxes	311,842	289,213	22,629
8104	Workers' Compensation Insurance	500,000	485,000	15,000
8105	Group Insurance	425,735	372,858	52,877
8106	State Unemployment Insurance	5,000	5,000	0
8107	Retiree Medical Trust	50,400	49,200	1,200
8109	Holiday	207,734	193,998	13,736
8110	Employee Retirement Plan	267,374	248,238	19,136
8111	Employee Medical Opt Out	30,600	43,200	(12,600)
8115	FSA Admin.	900	900	0
8120	Certification Pay	73,900	75,100	(1,200)
8125	Training Pay	12,600	12,300	300
8200	Office Supplies	65,000	65,000	0
8202	Periodicals, Maps and Pamphlets	6,500	6,500	0
8204	Printing and Binding	12,000	14,100	(2,100)
8206	Special Office / Other Supplies	89,700	89,700	0
8208	Postage	14,000	14,500	(500)
8210	Office / Noise Equipment Service	191,000	142,000	49,000
8212	Copy Machine Lease	25,000	19,575	5,425
8214	Office Equipment Rent	700	700	0
8216	Photographic Expense	2,000	2,250	(250)
8252	Recruitment Expense	35,000	40,000	(5,000)
8254	Membership Dues	132,600	125,000	7,600
8256	Uniform Expense	108,335	85,350	22,985
8258	Commission Meeting	175,000	190,000	(15,000)
8260	Conference Meeting	122,930	95,000	27,930
8261	Training Expense	342,155	330,000	12,155
8302	Fuel, Oil and Lubricants	425,000	425,000	0
8303	Low Value Communications Equipment	12,000	12,000	0
8304	Low Value Machinery / Equipment	44,115	26,500	17,615
8305	Low Value Furniture / Fixtures	25,450	21,250	4,200
8306	Vehicle Repair / Maintenance Supplies	67,700	67,700	0
8308	General Repair / Maintenance	168,950	168,950	0
8316	Shop Supplies	77,600	77,600	0
8318	Electrical Supplies	93,550	73,850	19,700
8320	Plumbing, Heating and Air Conditioning	85,000	85,000	0
8322	Building / Construction Supplies	86,250	86,250	0
8324	Telephone Expense	325,000	325,000	0
8326	Communications Maintenance	53,200	53,200	0
8332	Industrial Chemical Supplies	12,500	19,200	(6,700)

**ADOPTED FY 2018/2019 ("FY 2019") BUDGET  
OPERATIONS & MAINTENANCE ("O & M") EXPENDITURES**

<b>ACCT #</b>	<b>DESCRIPTION</b>	<b>ADOPTED BUDGET FY 2019</b>	<b>ADOPTED BUDGET FY 2018</b>	<b>\$ AMOUNT CHANGE</b>
8334	Operating / Maintenance Equipment Lease	\$54,300	\$54,300	\$0
8335	Other Leases / Rentals	36,000	36,000	0
8336	Utility – Gas	37,000	37,000	0
8338	Utility – Electric	1,590,000	1,590,000	0
8340	Utility – Water	430,000	395,000	35,000
8341	Sign Repair and Maintenance	114,500	60,000	54,500
8342	Landscaping Expense	205,500	205,500	0
8344	Paint Expense	115,100	115,100	0
8604	ARFF Services	3,334,500	3,030,992	303,508
8606	Tenant Janitorial Services	550,000	525,000	25,000
8607	Janitorial Services	720,000	720,000	0
8608	Refuse Collection	171,500	171,500	0
8610	Contractual Building Repair	158,000	158,000	0
8612	Contractual Systems Repair	1,018,215	903,900	114,315
8620	Contractual Vehicle Maintenance	385,400	385,400	0
8622	Other Contracted O & M Costs	1,055,280	1,141,960	(86,680)
8625	Contractual Parking Ops. (Self-Park / Valet)	4,910,000	4,690,000	220,000
8626	Contractual Transportation Services	2,409,029	2,363,574	45,455
8702	Noise Consultants	68,500	68,500	0
8704	Legal Services	650,000	650,000	0
8706	Audit Services	115,000	115,000	0
8708	Professional Management Services	13,586,280	12,900,325	685,955
8709	Engineering Services	100,000	100,000	0
8710	Financial Services	869,600	805,700	63,900
8711	Other Professional Services	1,839,800	1,546,000	293,800
8715	Environmental Services	65,000	65,000	0
8804	Bad Debt Expense	4,000	4,000	0
8816	Insurance	1,575,000	1,575,000	0
8818	Public Relations / Advertising	130,000	120,000	10,000
8819	Air Service Retention and Development	685,000	609,425	75,575
8822	Licenses, Permits and Fees	167,175	125,000	42,175
8825	Uninsured Loss	10,000	10,000	0

<b>TOTAL O &amp; M EXPENSES</b>	<b>\$45,762,784</b>	<b>\$43,386,520</b>	<b>\$2,376,264</b>
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**O & M EQUIPMENT AND PROJECTS**

9010	Vehicles / Equipment	\$135,000	\$108,000	\$27,000
9022	Other Machinery / Equipment	188,100	93,200	94,900
9024	Furniture / Fixtures	0	10,000	(10,000)
9026	Office Equipment / Systems	85,000	85,000	0

<b>TOTAL O &amp; M EQUIPMENT / PROJECTS</b>	<b>\$408,100</b>	<b>\$296,200</b>	<b>\$111,900</b>
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<b>TOTAL OPERATIONS AND MAINTENANCE</b>	<b>\$46,170,884</b>	<b>\$43,682,720</b>	<b>\$2,488,164</b>
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**Burbank-Glendale-Pasadena Airport Authority**

**ADOPTED FY 2018/2019 ("FY 2019") - Facility Improvement Program ("Capital") Budget**

<b>PROJECT DESCRIPTION</b>	<b>Cost</b>	<b>Funded By PFC</b>	<b>Funded By Grant</b>	<b>Airport Share</b>
<b>BUILDING IMPROVEMENTS</b>				
Building #36 Server Room Upgrades <i>(completion)</i>	\$ 350,000	\$ 350,000	\$ -	\$ -
Terminal High Voltage Electrical Upgrades	350,000	245,000	-	105,000
Terminal B Security Checkpoint Upgrade	100,000	100,000	-	-
Minor Building Improvements	250,000	-	-	250,000
<b>TOTAL BUILDING IMPROVEMENTS</b>	<b>\$ 1,050,000</b>	<b>\$ 695,000</b>	<b>\$ -</b>	<b>\$ 355,000</b>
<b>IT / COMMUNICATIONS / SECURITY</b>				
Fiber Optic Installation	\$ 500,000	\$ 500,000	\$ -	\$ -
DVSS Camera Replacement / Installation	250,000	-	-	250,000
IT Equipment (Network Switch, Server Replacements)	180,000	-	-	180,000
<b>TOTAL IT / COMMUNICATIONS / SECURITY</b>	<b>\$ 930,000</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ 430,000</b>
<b>EQUIPMENT</b>				
Verdugo Dispatch Communications Upgrades - Interoperability	\$ 350,000	\$ -	\$ -	\$ 350,000
Parking Revenue Control Equip: LPR Camera Replacement	200,000	-	-	200,000
Airfield Maintenance Equipment	455,000	265,000	-	190,000
<b>TOTAL EQUIPMENT</b>	<b>\$ 1,005,000</b>	<b>\$ 265,000</b>	<b>\$ -</b>	<b>\$ 740,000</b>
<b>RUNWAY / TAXIWAY / ROADWAY PROJECTS</b>				
Taxiways C & D; GA Ramp Rehabilitation - Construction	\$ 6,175,000	\$ 1,198,568	\$ 4,976,432	\$ -
Terminal Ramp Rehabilitation <i>(completion)</i>	3,600,000	3,600,000	-	-
RPZ Land Acquisition - Hollyona Property	1,800,000	349,380	1,450,620	-
Airfield Lighting System Rehabilitation	1,650,000	1,650,000	-	-
Airfield Lighting Vault Replacement <i>(multi-year)</i>	500,000	500,000	-	-
Taxiway A Rehabilitation - Design	400,000	-	-	400,000
Airside Paving Replacement	620,000	-	-	620,000
Landside Paving Replacement	250,000	-	-	250,000
Public Parking Lot Improvements	300,000	-	-	300,000
<b>TOTAL RUNWAY / TAXIWAY / ROADWAY</b>	<b>\$ 15,295,000</b>	<b>\$ 7,297,948</b>	<b>\$ 6,427,052</b>	<b>\$ 1,570,000</b>
<b>NOISE MITIGATION</b>				
Residential Acoustical Treatment Program <i>(multi-year)</i>	\$ 500,000	\$ 97,050	\$ 402,950	\$ -
<b>TOTAL NOISE MITIGATION</b>	<b>\$ 500,000</b>	<b>\$ 97,050</b>	<b>\$ 402,950</b>	<b>\$ -</b>
<b>DEVELOPMENT</b>				
Replacement Passenger Terminal Project <i>(multi-year)</i>	\$ 3,575,000	\$ 329,970	\$ 1,370,030	\$ 1,875,000
Transportation Planning <i>(multi-year)</i>	100,000	-	100,000	-
<b>TOTAL DEVELOPMENT</b>	<b>\$ 3,675,000</b>	<b>\$ 329,970</b>	<b>\$ 1,470,030</b>	<b>\$ 1,875,000</b>
<b>TOTAL FACILITY IMPROVEMENT PROGRAM</b>	<b>\$ 22,455,000</b>	<b>\$ 9,184,968</b>	<b>\$ 8,300,032</b>	<b>\$ 4,970,000</b>

**Notes:**

- 1) The FY 2019 budget utilizes reserves previously set aside in the Facility Development Fund to cover the Airport share (\$1,875,000) of the Replacement Passenger Terminal project costs.
- 2) An additional TSA funded Recapitalization Project (Checked Baggage Screening Equipment replacement program) governed under an Other Transaction Agreement ("OTA") is a pass-through project which does not yield an asset to the Authority. Therefore, it is not included in the above.

## **Budget Overview: Fiscal Year 2018/2019 (“FY 2019”)**



### **INTRODUCTION:**

Fiscal Year 2017/2018 (“FY 2018”) experienced a substantial return to passenger levels previously lost since 2008 when the economy plunged into a deep recession. These favorable improvements are due to a number of factors including but not limited to: continued improvement in the economy, growing demand for air travel, competitive air fares and the upgauging to newer and quieter aircraft utilized for routes to and from Hollywood Burbank Airport. In FY 2019, this trend of returning to previous passenger levels is expected to continue with the introduction of new service by jetBlue Airways to Boston and an additional daily daytime flight to New York, and new service by Southwest Airlines to Chicago and Houston. Also, while not specifically quantifiable, the increased congestion due to the continuing modernization construction program at LAX appears to have diverted some passenger traffic to routes served out of BUR. The competitive environment between the air carriers for the Southern California market has not subsided as they maintain their vigilance over cost and capacity.

Passenger activity FYTD April 2018 reflects a 15.13% increase as compared to the same period in the prior fiscal year. The momentum over the last 10 months is particularly noteworthy with passenger activity increasing monthly at double digit levels.

The adopted budget continues to incorporate Staff’s recommendation to the Commission to maintain the Authority’s conservative approach to the financial program focused on maximizing revenues, vigilant monitoring of expenditures and dedication of resources to maintain safe, secure and passenger convenient facilities. The programmed utilization of Airport Reserve funds is limited to the continued development of a 14-gate Replacement Passenger Terminal. The FY 2019 budget maintains a stable level of rates and charges to the airlines for the fiscal year. The airport industry continues to address the dynamic changes impacting its traditional revenue sources, such as ground transportation options as well as passenger demand for amenities and convenience.

## **BUDGET OVERVIEW:**

- **Highlights and Noteworthy Items:**

- The FY 2019 adopted budget is presented as a balanced budget with no change to the existing signatory airline rental rates or landing fees. The signatory landing fee rate will remain at \$0.97 per 1,000 pounds landed weight and the non-signatory landing fee rate is programmed to remain at \$1.56 per 1,000 pounds landed weight.
- Appropriations programmed to support the ongoing development of a proposed 14-gate Replacement Passenger Terminal for activities include:
  - Commencement of the public charrettes;
  - Continuation of the ongoing Environmental Impact Statement (EIS) process; and
  - Furtherance of the financial feasibility study and project delivery methods.
- Funding included to allow for the continuing implementation and marketing of the Airport's brand name and website redesign focusing on developing new markets.
- Negotiations for Maintenance personnel Collective Bargaining Agreement anticipated to conclude in early FY 2019.
- Appropriations included for the implementation of a pre-booking parking reservation system and additional automation.
- Programming included for the continuation of the multi-year Safety Management Systems (SMS) program.
- A significant portion of the adopted capital program appropriations dedicated towards: Terminal Ramp Rehabilitation; Taxiway C & D, GA Ramp Rehabilitation and the acquisition of the Hollyona parcel (Runway Protection Zone property).
- Pending receipt of the FAA approval of the Part 150 Study recertification and grant funding, appropriations are included for reactivation of the Residential Acoustical Treatment Program (RATP) to address remaining eligible units.



## **FY 2019 BUDGET: OVERVIEW BY CATEGORY**

### **I. FY 2019 OPERATING REVENUES**

FY 2019 Operating revenues are programmed to total \$56,695,000, an increase from the FY 2018 budget levels of \$5,815,000 (11.43%). The budget is premised on a conservative assumption of a 5% increase in passenger activity levels over FY 2018 estimated actual levels.

Below is a summary and highlights of projected operating revenues:

#### **FY 2019 Operating Revenues: Summary**

<b>Rentals</b>	<b>\$ 14,530,000</b>
<b>Parking</b>	<b>20,940,000</b>
<b>Concessions</b>	<b>9,800,000</b>
<b>Landing Fees</b>	<b>4,060,000</b>
<b>Investment Income</b>	<b>3,400,000</b>
<b>Ground Transportation</b>	<b>3,030,000</b>
<b>Other Revenues</b>	<b>935,000</b>
<b>Total Operating Revenues</b>	<b>\$ 56,695,000</b>

#### **Rentals: \$14,530,000**

Rental revenues have been programmed at \$690,000 above the FY 2018 budget levels. The increase is primarily attributed to CPI increase adjustments to existing leases realized during FY 2018. In addition, the budget includes the full 12 month lease amount of a hangar rental that in FY 2018 was reduced due to a rent credit for capital improvements to the hangar per the terms of their lease.

Several hangars continue to remain vacant. No rental revenues are included in the budget for the vacant hangars. Staff is actively pursuing potential tenants for these facilities.

In summary, this line item is primarily programmed as follows:

- Based on current contracts and leases.
- Assumes all lease revenues will remain in place through the entire fiscal year.
- Assumes no FY 2019 CPI increases.

**FY 2019 OPERATING REVENUES - continued**

**Parking: \$20,940,000**

Revenues have been forecasted at \$1,815,000 higher than budgeted last year (FY 2018). The FY 2019 parking revenue forecast is based upon the estimated actual results for the current fiscal year (FY 2018) which have exceeded the original adopted budget projection due to the unexpected double-digit passenger activity growth. The FY 2019 parking revenue budget is essentially flat to the expected FY 2018 results.

The total forecasted amount of \$20,940,000 is subject to the City of Burbank's 12% Parking Tax requirement. An amount of \$2,243,575 has been budgeted to be remitted to the City during FY 2019.

**Concessions: \$9,800,000**

This category includes revenues from rental car agencies, food/beverage, gift/news, advertising and other ancillary concessionaires. The FY 2019 budget is programmed \$950,000 more than last year. This increase is primarily driven by the positive results generated due to the elevated passenger activity. This category is programmed based on the estimated results of FY 2018.

**Landing Fees: \$4,060,000**

The budget increase of \$825,000 over the prior year level reflects the positive impact of new air service additions and the upgauging of aircraft by the carriers. This line item will be monitored throughout the fiscal year due to the potential for rising oil prices, increase in interest rates which may impact the delivery of new aircraft and therefore impact this revenue category.



**FY 2019 OPERATING REVENUES – continued**

**Investment Income: \$3,400,000**

Investment income has been forecasted at \$750,000 higher than the FY 2018 budget levels primarily due to a projected small yield increase. This category continues to benefit from the larger overall investment portfolio balance. All reinvestments must follow the Authority’s Investment Policy guidelines which are based on capital preservation and conservative investments.

Commencing in FY 2015, the Authority receives income from the loan provided to the rental car companies for the construction of the Consolidated Rental Car Facility (“CRCF”) as part of the Regional Intermodal Transportation Center (“RITC”). The loan carries a 4% interest rate. The FY 2018 interest amount from this loan is approximately \$100,000 and the estimated principal payback to the Authority is \$290,870.

**Ground Transportation: \$3,030,000**

Ground Transportation reflects the TNC also known as “rideshare” passenger drop-off and pick-up fees. Also, included in this category are taxi, shuttle and off-airport parking fees. The largest component of this revenue category results from the TNC fees, which fee level remains unchanged from the last year at \$3 for each drop-off and \$3 for each pick-up.

**Other Revenues: \$935,000**

This category, programmed at \$100,000 less than the prior year, includes projections for fuel flowage fees, film location receipts and fingerprint fees. The reduction in this category reflects the uncertainty of filming receipts which have declined and remain uncertain.





## II. **FY 2019 OPERATIONS AND MAINTENANCE (O & M) EXPENSES**

The Operations and Maintenance (O & M) Budget totals \$46,170,884, an increase of \$2,488,164 (5.7%) from the current FY 2018 approved O & M Budget.

Noteworthy line items in the O & M budget are as follows:

➤ **Wages and Benefits: Accounts #8000 - #8125**

These appropriations, amounting to approximately \$5.8 million, provide for the salaries and benefits associated with the Airport's police / public safety personnel. The budget was developed in accordance with the terms of the current 3-year Memorandum of Understanding ("MOU") which went into effect February 2017.

The Workers' Compensation insurance (Account #8104) is based on the renewal premium estimate received from the Authority's broker (policy renewal date August 2018).

The police department appropriations include the addition of 1 full-time sergeant position.

➤ **Aircraft Rescue and Firefighting ("ARFF") Services: Account #8604**

This account provides for the costs associated with the contracted TBI aircraft rescue and firefighting personnel. This line item reflects the direct personnel wages and benefits, reimbursement for actual out-of-pocket expenses including related insurance costs and management fee. The FY 2019 budget has been programmed in accordance with the terms of the Collective Bargaining Agreement that became effective during FY 2018 (October 2017). This line item was budgeted flat last year at FY 2017 levels due to the union agreement negotiations being underway. Therefore, the FY 2019 budget for this line item includes two years of negotiated increases. The staffing level remains the same.

➤ **Office / Noise Equipment: Account #8210**

Appropriations have been included to accommodate the installation of temporary noise monitors during the fiscal year.

➤ **Utilities (Gas, Electric, Water): Accounts #8336, #8338, #8340**

Utilities have been budgeted to include expected rate increases for the respective services. The Airport continues to focus on water conservation measures as governed by the City of Burbank and the implementation of newer energy efficient technologies such as the installation of LED lighting.

**FY 2019 O & M EXPENSES – continued**

➤ **Other Contracted O & M Costs: Account #8612**

In addition to the outside services support for various operational requirements (Airfield, Terminal and Information Systems), this line item includes appropriations for additional upgrades to the Authority's DVSS security system.

➤ **Contracted Parking Services (Self-Park and Valet): Account #8625**

This line item represents costs associated with the recently awarded (May 2018) contracted services agreement with SP Plus ("SP+") for parking operations for the Authority's self-park and valet parking lots.

This line item is budgeted in accordance with this new agreement and includes the estimated costs associated with the installation of a parking pre-booking reservation system.

➤ **Contracted Transportation Services: Account #8626**

This line item represents costs associated with the contracted services agreement with MV Transportation to provide turn-key shuttle bus fleet services which became effective mid FY 2016. MV Transportation provides both the operational personnel as well as newer, smaller, alternative energy efficient vehicles to support the Airport's courtesy shuttle requirements.

The appropriations programmed in this line item for FY 2019 are in accordance with the previously awarded contract amount.



**FY 2019 O & M EXPENSES – continued**

➤ **Professional Management Services (TBI Contract): Account #8708**

This line item represents the estimated FY 2019 costs associated with the TBI Airport Management Inc. contract (not including ARFF services which are programmed separately in Account #8604).

Included are recommendations for one staff position addition (Internal Auditor), a merit allowance for non-represented employees, a supplemental allowance (flat to last year) of \$100,000 and includes the applicable adjustments in compliance with the recently concluded Collective Bargaining Agreement (“CBA”) negotiations with operations and communications center personnel. Pending conclusion of CBA negotiations pertaining to the Maintenance Department, no adjustment to wages for these positions have been included at this time.

Itemized below are the components of this \$13,586,280 line item:

<b>Components of FY 2019</b>			
<b>Account #8708: Professional Management Services (TBI)</b>			
	<b>Salaried</b>	<b>Hourly</b>	<b>Total</b>
<b>Wages</b>	\$5,816,194	\$3,719,369	\$9,535,563
<b>Healthcare</b>	872,561	851,718	1,724,279
<b>Retirement</b>	351,508	293,005	644,513
<b>Other Fringe</b>	793,139	595,678	1,388,817
<b>Subtotal</b>	<u>\$7,833,402</u>	<u>\$5,459,770</u>	<u>\$13,293,172</u>
<b>Merit Allowance</b>	\$168,192	\$22,529	\$190,721
<b>Maintenance CBA</b>	\$0	\$0	\$0
<b>Subtotal</b>	<u>\$8,001,594</u>	<u>\$5,482,299</u>	<u>\$13,483,893</u>
<b>Less labor charged to capital projects</b>			-\$808,364
<b>Supplemental Allowance</b>			\$100,000
<b>Management Fee</b>			\$810,751
<b>Total Account #8708</b>			<u>\$13,586,280</u>
<b># of funded positions</b>	54	59	113

**FY 2019 O & M EXPENSES – continued**

➤ **Other Professional Services: Account #8711**

This line item includes appropriations for outside contracted security services and other professional services such as Strategic Planning, Safety Management Systems (SMS), legislative advocacy support and parking consultant services.

➤ **Insurance: Account #8816**

The Authority's insurance policies renew on July 1, 2018 therefore this line item reflects the anticipated policy premiums the Authority's insurance broker has estimated for FY 2019.

➤ **Air Service Retention/ Development: Account #8819**

This account provides appropriations for the continued efforts to attract new air service and further develop the branding/geographic identity of the Airport. Appropriations have been included to continue initiatives such as the marketing agreement with IMG College, LLC in which the Airport is "the official airport" of the Rose Bowl Stadium (\$65,000), and to support outreach efforts to current/potential new air carriers (\$50,000). In addition, appropriations in the amount \$570,000 are included to maintain the ongoing implementation of the Airport's branding efforts, "Phase IV", including a redesign of the Authority's website.



**III. FY 2019 FACILITY IMPROVEMENT (CAPITAL) BUDGET**

The total FY 2019 Facility Improvement Budget of \$22,455,000 is comprised of various projects and improvements, and is distributed among the following major categories:

<b>Category</b>	<b>Adopted FY 2019 Budget</b>
<b>Building Improvements</b>	<b>\$1,050,000</b>
<b>IT / Communications / Security</b>	<b>930,000</b>
<b>Equipment</b>	<b>1,005,000</b>
<b>Runway / Taxiway / Roadway</b>	<b>15,295,000</b>
<b>Noise Mitigation</b>	<b>500,000</b>
<b>Development</b>	<b><u>3,675,000</u></b>
<b>Total FY 2019 Improvement Budget</b>	<b><u>\$22,455,000</u></b>

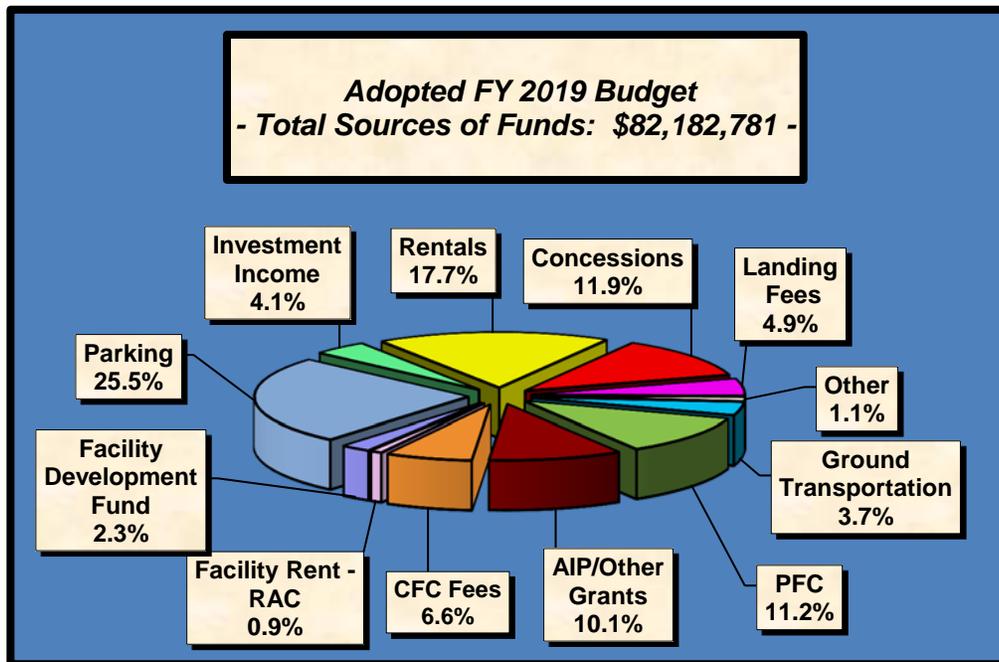
Seven projects make up 80% of the total adopted \$22,455,000 capital program. These are:

- Taxiway C & D; GA Ramp Rehabilitation: \$ 6,175,000
- Terminal Ramp Rehabilitation (*completion*): 3,600,000
- Replacement Passenger Terminal (*multi-year*): 3,575,000
- RPZ Land Acquisition – Hollyona Property: 1,800,000
- Airfield Lighting System Rehabilitation: 1,650,000
- Airside Paving Replacement: 620,000
- Airfield Lighting Vault Replacement (*multi-year*): 500,000

A narrative description of each capital project and anticipated funding source by project is provided in the next tab section (Section III) of this document.

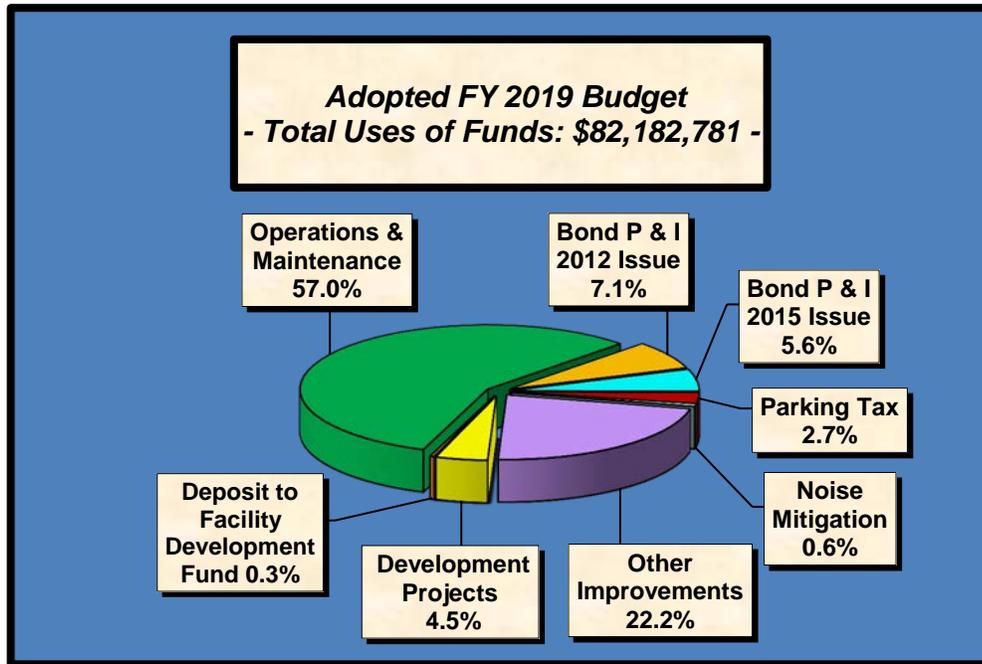
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<b>Sources of Funds: Summary</b>	
Parking	\$20,940,000
Rentals	14,530,000
Concessions	9,800,000
Landing Fees	4,060,000
Investment Income	3,400,000
Ground Transportation	3,030,000
Other Revenues	<u>935,000</u>
<b>Total Operating Revenues</b>	<b>\$56,695,000</b>
PFC Revenues / Reserves	9,184,968
AIP / Other Grants	8,300,032
Facility Development Fund	1,875,000
CFC Fees: To 2012 Bond Issue Debt Service	5,400,000
Facility Rent - RAC: To 2012 Bond Issue Debt Service	436,911
Facility Rent - RAC: Payment Loan Principal	<u>290,870</u>
<b>Total Programmed FY 2019 Funding Sources:</b>	<b><u><u>\$82,182,781</u></u></b>

- Burbank-Glendale-Pasadena Airport Authority -



<b>Uses of Funds: Summary</b>	
Bond Principal & Interest (2012 Issue)	\$5,836,911
Bond Principal & Interest (2015 Issue)	4,563,500
Operations & Maintenance (Includes Reserve Adj.)	46,792,925
Parking Tax	<u>2,243,575</u>
<b>Sub-Total</b>	<b>\$59,436,911</b>
<b>Facility Improvement Program</b>	
Noise Mitigation / Abatement	\$500,000
Other Improvements	18,280,000
Development Projects	<u>3,675,000</u>
<b>Sub-Total</b>	<b>\$22,455,000</b>
Facility Development Fund Reimbursement	<u>\$290,870</u>
<b>Total Programmed FY 2019 Uses of Funds:</b>	<b><u><u>\$82,182,781</u></u></b>