

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

**FY 2022/2023**

**BUDGET AND BUDGET OVERVIEW**



**Hollywood  
Burbank  
Airport**

**ADOPTED: JUNE 6, 2022**

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**ADOPTED FY 2022/2023 ("FY 2023") BUDGET**  
**SUMMARY**

**SOURCES OF FUNDS: SUMMARY**

	Adopted Budget FY 2023	Adopted Budget FY 2022	\$ Change	% Change
Rentals	\$ 17,775,000	\$ 16,250,000	\$ 1,525,000	9.38%
Parking	23,750,000	10,735,000	13,015,000	121.24%
Concessions	11,375,000	4,500,000	6,875,000	152.78%
Landing Fees	3,900,000	2,550,000	1,350,000	52.94%
Investment Income	3,550,000	2,300,000	1,250,000	54.35%
Ground Transportation	2,040,000	1,090,000	950,000	87.16%
Other Revenues	1,580,000	600,000	980,000	163.33%
<b>Total Operating Revenues</b>	<b>63,970,000</b>	<b>38,025,000</b>	<b>25,945,000</b>	<b>68.23%</b>
PFC Revenues / Reserves	4,504,040	6,766,150	(2,262,110)	-33.43%
Airport Improvement Program Grants	3,545,960	924,056	2,621,904	283.74%
CFC Fees: 2012 Bond Issue	4,000,000	2,300,000	1,700,000	73.91%
Facility Rent - RAC	1,030,962	1,030,962	-	0.00%
<b>Total Nonoperating Revenues</b>	<b>13,080,962</b>	<b>11,021,168</b>	<b>2,059,794</b>	<b>18.69%</b>
<b>Total Operating &amp; Nonoperating Revenues</b>	<b>77,050,962</b>	<b>49,046,168</b>	<b>28,004,794</b>	<b>57.10%</b>
<b>Federal Relief Grant Funds</b>				
Bond P & I (2012 Issue)	804,930	2,503,994	(1,699,064)	-67.85%
Bond P & I (2015 Issue)	3,817,862	4,561,500	(743,638)	-16.30%
Concession Relief	-	2,500,000	(2,500,000)	-100.00%
Personnel Costs	-	7,779,373	(7,779,373)	-100.00%
<b>Total Federal Relief Grant Funds</b>	<b>4,622,792</b>	<b>17,344,867</b>	<b>(12,722,075)</b>	<b>-73.35%</b>
<b>Total Revenues &amp; Federal Relief Grant Funds</b>	<b>81,673,754</b>	<b>66,391,035</b>	<b>15,282,719</b>	<b>23.02%</b>
Airport Reserves / Interim Financing (Note 1)	34,225,000	-	34,225,000	N/A
<b>Total</b>	<b>\$ 115,898,754</b>	<b>\$ 66,391,035</b>	<b>\$ 49,507,719</b>	<b>74.57%</b>

**USES OF FUNDS: SUMMARY**

	Adopted Budget FY 2023	Adopted Budget FY 2022	\$ Change	% Change
Bond P & I (2012 Issue)	\$ 5,835,892	\$ 5,834,956	\$ 936	0.02%
Bond P & I (2015 Issue)	4,564,500	4,561,500	3,000	0.07%
<b>Subtotal Debt Service</b>	<b>10,400,392</b>	<b>10,396,456</b>	<b>3,936</b>	<b>0.04%</b>
Operations and Maintenance	55,415,900	45,775,550	9,640,350	21.06%
<b>Total Operating Expenses</b>	<b>65,816,292</b>	<b>56,172,006</b>	<b>9,644,286</b>	<b>17.17%</b>
<b>Facility Improvement Program</b>				
Noise Mitigation	1,000,000	125,000	875,000	700.00%
Other Improvements	10,690,000	8,668,850	2,021,150	23.32%
Replacement Passenger Terminal Project	34,225,000	275,000	33,950,000	12345.45%
<b>Total Facility Improvement Program</b>	<b>45,915,000</b>	<b>9,068,850</b>	<b>36,846,150</b>	<b>406.29%</b>
Parking Tax	2,544,643	1,150,179	1,394,464	121.24%
<b>Total Operating &amp; Nonoperating Expenses</b>	<b>114,275,935</b>	<b>66,391,035</b>	<b>47,884,900</b>	<b>72.13%</b>
Additional O & M Reserve Requirement	1,622,819	-	1,622,819	N/A
<b>Total</b>	<b>\$ 115,898,754</b>	<b>\$ 66,391,035</b>	<b>\$ 49,507,719</b>	<b>74.57%</b>

Note 1: Programmed use of Airport Reserves is limited to the estimated FY 2023 capital outlay for the Replacement Passenger Terminal (RPT) project, pending reimbursement through interim financing.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**ADOPTED FY 2022/2023 ("FY 2023") BUDGET**  
**OPERATIONS & MAINTENANCE ("O & M") EXPENSES**

<b>ACCT #</b>	<b>DESCRIPTION</b>	<b>ADOPTED BUDGET FY 2023</b>	<b>ADOPTED BUDGET FY 2022</b>	<b>\$ AMOUNT CHANGE</b>	<b>% CHANGE</b>
8000	Regular Wages	\$ 3,453,000	\$ 3,345,000	\$ 108,000	3.23%
8012	Overtime Wages	360,000	350,000	10,000	2.86%
8100	Sick Leave	279,000	271,000	8,000	2.95%
8102	Vacation	285,000	284,000	1,000	0.35%
8103	Payroll Taxes	378,000	368,000	10,000	2.72%
8104	Workers' Compensation Insurance	685,000	632,000	53,000	8.39%
8105	Group Insurance	581,000	493,000	88,000	17.85%
8107	Retiree Medical Trust	48,000	50,400	(2,400)	-4.76%
8109	Holiday	238,000	235,000	3,000	1.28%
8110	Employee Retirement Plan	543,000	482,000	61,000	12.66%
8111	Employee Medical Opt Out	28,800	34,200	(5,400)	-15.79%
8115	FSA Admin.	900	900	-	0.00%
8120	Certification Pay	217,000	220,000	(3,000)	-1.36%
8125	Training Pay	12,000	12,600	(600)	-4.76%
8200	Office Supplies	70,000	65,000	5,000	7.69%
8202	Periodicals, Maps and Pamphlets	7,900	3,200	4,700	146.88%
8204	Printing and Binding	13,350	14,900	(1,550)	-10.40%
8206	Special Office / Other Supplies	110,940	90,000	20,940	23.27%
8208	Postage	14,000	14,000	-	0.00%
8210	Office / Noise Equipment Service	191,550	170,250	21,300	12.51%
8212	Copy Machine Lease	26,600	26,600	-	0.00%
8214	Office Equipment Rent	700	700	-	0.00%
8216	Photographic Expense	250	1,250	(1,000)	-80.00%
8252	Recruitment Expense	20,000	20,000	-	0.00%
8254	Membership Dues	165,470	161,000	4,470	2.78%
8256	Uniform Expense	149,840	130,000	19,840	15.26%
8258	Commission Meeting	175,000	175,000	-	0.00%
8260	Conference Meeting	108,800	65,000	43,800	67.38%
8261	Training Expense	347,050	290,000	57,050	19.67%
8302	Fuel, Oil and Lubricants	400,000	150,000	250,000	166.67%
8303	Low Value Communications Equipment	2,000	3,400	(1,400)	-41.18%
8304	Low Value Machinery / Equipment	21,250	11,500	9,750	84.78%
8305	Low Value Furniture / Fixtures	12,000	10,000	2,000	20.00%
8306	Vehicle Repair / Maintenance Supplies	50,000	60,000	(10,000)	-16.67%
8308	General Repair / Maintenance	150,000	150,000	-	0.00%
8316	Shop Supplies	66,000	60,000	6,000	10.00%
8318	Electrical Supplies	160,250	150,000	10,250	6.83%
8320	Plumbing, Heating and Air Conditioning	190,000	129,500	60,500	46.72%
8322	Building / Construction Supplies	75,000	75,000	-	0.00%
8324	Telephone Expense	320,000	320,000	-	0.00%
8326	Communications Maintenance	58,600	53,200	5,400	10.15%
8332	Industrial Chemical Supplies	14,500	14,500	-	0.00%



**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**ADOPTED FY 2022/2023 ("FY 2023") BUDGET**  
**OPERATIONS & MAINTENANCE ("O & M") EXPENSES**

ACCT #	DESCRIPTION	ADOPTED BUDGET FY 2023	ADOPTED BUDGET FY 2022	\$ AMOUNT CHANGE	% CHANGE
8334	Operating / Maintenance Equipment Lease	\$ 91,300	\$ 56,000	\$ 35,300	63.04%
8336	Utility – Gas	55,000	40,000	15,000	37.50%
8338	Utility – Electric	1,600,000	1,540,000	60,000	3.90%
8340	Utility – Water	430,000	400,000	30,000	7.50%
8341	Sign Repair and Maintenance	110,000	110,000	-	0.00%
8342	Landscaping Expense	258,000	205,500	52,500	25.55%
8344	Paint Expense	167,500	167,500	-	0.00%
8604	ARFF Services	3,818,000	3,640,000	178,000	4.89%
8606	Tenant Janitorial Services	937,500	774,700	162,800	21.01%
8607	Janitorial Services	1,294,750	1,070,500	224,250	20.95%
8608	Refuse Collection	185,000	185,000	-	0.00%
8610	Contractual Building	190,000	190,000	-	0.00%
8612	Contractual Systems	1,438,500	1,548,800	(110,300)	-7.12%
8620	Contractual Vehicle Maintenance	385,400	385,400	-	0.00%
8622	Other Contracted O & M Costs	1,052,100	949,900	102,200	10.76%
8625	Contractual Parking Ops. (Self-Park / Valet)	5,693,200	4,020,000	1,673,200	41.62%
8626	Contractual Transportation Services	3,000,000	65,000	2,935,000	4515.38%
8702	Noise Consultants	87,000	87,000	-	0.00%
8704	Legal Services	1,200,000	650,000	550,000	84.62%
8706	Audit Services	140,000	140,000	-	0.00%
8708	Professional Management Services	16,035,000	15,050,000	985,000	6.54%
8709	Engineering Services	85,000	85,000	-	0.00%
8710	Financial Services	860,000	555,000	305,000	54.95%
8711	Other Professional Services	2,376,300	1,450,000	926,300	63.88%
8715	Environmental Services	202,000	100,000	102,000	102.00%
8804	Bad Debt Expense	4,000	4,000	-	0.00%
8816	Insurance	1,690,000	1,732,600	(42,600)	-2.46%
8818	Public Relations / Advertising	104,500	73,500	31,000	42.18%
8819	Air Service Retention and Development	630,000	435,000	195,000	44.83%
8822	Licenses, Permits and Fees	341,600	284,550	57,050	20.05%
8825	Uninsured Loss	10,000	10,000	-	0.00%

<b>TOTAL O &amp; M EXPENDITURES</b>	<b>\$ 54,501,400</b>	<b>\$ 45,197,050</b>	<b>\$ 9,304,350</b>	<b>20.59%</b>
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**O & M EQUIPMENT AND PROJECTS**

9010	Vehicles / Equipment	\$ 524,000	\$ 315,000	\$ 209,000	66.35%
9022	Other Machinery / Equipment	296,000	170,000	126,000	74.12%
9026	Office Equipment / Systems	94,500	93,500	1,000	1.07%

<b>TOTAL O &amp; M EQUIPMENT / PROJECTS</b>	<b>\$ 914,500</b>	<b>\$ 578,500</b>	<b>\$ 336,000</b>	<b>58.08%</b>
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<b>TOTAL OPERATIONS AND MAINTENANCE</b>	<b>\$ 55,415,900</b>	<b>\$ 45,775,550</b>	<b>\$ 9,640,350</b>	<b>21.06%</b>
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**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
ADOPTED FY 2022/2023 ("FY 2023") BUDGET  
FACILITY IMPROVEMENT (CAPITAL) PROGRAM**

PROJECT DESCRIPTION	Cost	Funded By PFC Revenues	Funded By AIP Grant	Funded By Airport Reserves/ Interim Financing	Funded By Airport Share
<b>BUILDING IMPROVEMENTS</b>					
1) Minor Building Improvements	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
<b>TOTAL BUILDING IMPROVEMENTS</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 250,000</b>
<b>IT / COMMUNICATIONS / SECURITY</b>					
2) Communications Center Equipment Replacement	\$ 550,000	\$ -	\$ -	\$ -	\$ 550,000
3) IT Network Infrastructure Equipment Replacement	350,000	-	-	-	350,000
4) DVSS Hardware Replacement / Upgrades	225,000	-	-	-	225,000
5) Parking Lot Revenue Control Equipment Upgrades	210,000	-	-	-	210,000
<b>TOTAL IT / COMMUNICATIONS / SECURITY</b>	<b>\$ 1,335,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,335,000</b>
<b>EQUIPMENT</b>					
6) ARFF Rescue Vehicle Replacement (Rescue #17)	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000
7) HVAC Replacements	175,000	-	-	-	175,000
8) Airfield Maintenance Equipment (Mower)	160,000	-	-	-	160,000
9) ARFF Truck Replacement (bid and award process)	15,000	-	-	-	15,000
<b>TOTAL EQUIPMENT</b>	<b>\$ 750,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 750,000</b>
<b>RUNWAY / TAXIWAY / ROADWAY PROJECTS</b>					
10) Taxiway C Pavement Rehabilitation - Construction	\$ 3,400,000	\$ 659,940	\$ 2,740,060	\$ -	\$ -
11) Airfield Lighting Vault Replacement - Construction	3,000,000	3,000,000	-	-	-
12) Runway 8 PAPI Relocation	455,000	455,000	-	-	-
13) Runway/Taxiway Shoulder Rehabilitation - Design	500,000	-	-	-	500,000
14) Landside Roadway and Pavement Construction	325,000	-	-	-	325,000
15) Parking Lot Improvements	575,000	-	-	-	575,000
16) Electric Vehicle (EV) Charging Infrastructure	100,000	-	-	-	100,000
<b>TOTAL RUNWAY / TAXIWAY / ROADWAY PROJECTS</b>	<b>\$ 8,355,000</b>	<b>\$ 4,114,940</b>	<b>\$ 2,740,060</b>	<b>\$ -</b>	<b>\$ 1,500,000</b>
<b>NOISE MITIGATION</b>					
17) Part 150 Update	\$ 1,000,000	\$ 194,100	\$ 805,900	\$ -	\$ -
<b>TOTAL NOISE MITIGATION</b>	<b>\$ 1,000,000</b>	<b>\$ 194,100</b>	<b>\$ 805,900</b>	<b>\$ -</b>	<b>\$ -</b>
<b>SUBTOTAL</b>	<b>\$ 11,690,000</b>	<b>\$ 4,309,040</b>	<b>\$ 3,545,960</b>	<b>\$ -</b>	<b>\$ 3,835,000</b>
<b>REPLACEMENT PASSENGER TERMINAL PROJECT</b>					
18) Replacement Passenger Terminal Project (multi-year)	\$ 34,225,000	\$ -	\$ -	\$ 34,225,000	\$ -
<b>TOTAL FACILITY IMPROVEMENT PROGRAM</b>	<b>\$ 45,915,000</b>	<b>\$ 4,309,040</b>	<b>\$ 3,545,960</b>	<b>\$ 34,225,000</b>	<b>\$ 3,835,000</b>

**Notes:**

- 1) Appropriations in the amount of \$250K have been included to address small projects.
- 2) Communications Equipment Replacement: (\$350K Console Replacement; \$200K Crash Phone Replacement).
- 3) IT Infrastructure Equipment: (\$350K Core Switch / Blade Server Replacement).
- 4) Digital Video Surveillance System - DVSS (Installation of new and replacement equipment \$225K).
- 5) Parking Lot Revenue Control Equipment - \$210K (Software / Hardware / LPR Camera Upgrades).
- 6) ARFF Rescue Vehicle Replacement for Unit #17 due to vehicle age (\$400K).
- 7) HVAC Replacements (\$105K Compressors Building 9, \$70K Maintenance).
- 8) Airfield Maintenance Equipment - Replacement mower due to age of existing equipment (\$160K).
- 9) ARFF Truck Replacement - \$15K provides for bidding and award of contract pending receipt of FAA AIP Grant. Balance of acquisition cost to be programmed into FY 2024 due to anticipated long lead time for delivery.
- 10) Taxiway C Pavement Rehabilitation - Design completed in FY 2022. Pending AIP Grant, \$3.4 million programmed in FY 2023.
- 11) Airfield Lighting Vault Replacement - Construction commenced in FY 2022 - \$3 million programmed in FY 2023 for project completion.
- 12) Relocation of the Runway 8 Precision Approach Pathway Indicators (PAPI) per airline request. This runway approach navigation equipment project commenced in FY 2022 - \$455K is programmed into FY 2023 for project completion.
- 13) Rwy / Twy / Shoulder Rehabilitation - \$500K in design costs programmed in FY 2023. Construction in future years pending AIP Grants.
- 14) Landside Roadway and Pavement Construction - \$325K to address pavement areas that have degraded.
- 15) Parking Lot Improvements to the A-1 Parcel area to improve passenger convenience and ingress / egress efficiency (\$575K).
- 16) Electric Vehicle (EV) Charging Infrastructure - \$100K to commence project including planning, site evaluations and drawings.
- 17) Part 150 Update pending receipt of AIP Grant (\$1 million).
- 18) Replacement Passenger Terminal - \$33.2 million programmed as estimated FY 2023 costs for PM and PDB; \$1 million as estimated technical / financial support consultant costs. The total estimated amount of \$34.2 million initially funded with Airport Reserves to be reimbursed through future Interim Financing.

## **Budget Overview: Fiscal Year 2022/2023 (“FY 2023”)**



### **INTRODUCTION:**

In mid-March 2020, the Hollywood Burbank Airport began to experience the negative impacts of the COVID-19 pandemic on passenger traffic levels. As the pandemic unfolded, it resulted in a rapid, unprecedented negative impact on the entire aviation industry and national economy.

In response to the rapid, severe decline in passenger activity and the corresponding loss of revenues, the Airport Commission approved a series of initiatives directed at providing temporary airline and tenant economic relief, cost reduction measures and the suspension of non-essential discretionary projects / expenditures. Federal relief grant funds have been received to support the loss of activity-based revenues.

Passenger activity in FY 2021 experienced a 71.4% decline from pre-COVID levels, with the last four months (March – June 2021) beginning to show signs of passenger activity recovery as vaccinations became available, government restrictions began to lift, and new start-up air carrier Avelo began operations at BUR (April 2021).

April FYTD 2022 has experienced a robust surge towards recovery in passenger demand at BUR, primarily driven by the leisure travel sector. Passenger activity levels for the first ten months (July 2021– April 2022) are 15.0% below pre-COVID levels, with the months of March and April 2022 reporting at 4.6% and 5.6% above pre-COVID levels, respectively. Frontier Airlines and Flair Airlines commenced service at BUR during the first half of FY 2022. Other air carrier flight schedules, previously on suspension, were reinstated, including several new destinations and additional frequencies. This elevated level of passenger demand and air service is anticipated to remain strong through the upcoming summer months.

While the near-term outlook remains positive, the overall longer-term outlook is tempered by the following:

- Continuing impacts due to pandemic “wave surges”;
- Unstable global events, creating volatile fuel prices (increased airline ticket prices);
- Airline staffing shortages which are and may further impact flight schedules;
- Rising inflation (Federal Reserve responding with interest rate increases);
- Global events and rising inflation continue to impact supply chain issues; and
- Possibility of economic recession.

The leisure market is sensitive to price and economic conditions, which may result in a dampening of discretionary travel demand. Additionally, the return of business travel remains uncertain, therefore, passenger activity projections utilized for the development of FY 2023 budget remain conservative.

## **BUDGET OVERVIEW:**

- **Highlights and Noteworthy Items:**

- As a result of the positive return in passenger demand during FY 2022, services that had been reduced or suspended due to the COVID-19 pandemic (i.e., remote parking lot closures; suspension of courtesy parking shuttle operations; reduction in parking, janitorial and traffic control services) began to be reinstated. Therefore, a full year of these services and other “catch up” items that have been previously deferred have been included in the FY 2023 financial program.
- In addition, in August 2021, the Commission, with Airline support, authorized the restart of the Replacement Passenger Terminal Project. This project had been placed on suspension since March 2020. The FY 2023 budget includes \$34,225,000 in appropriations to allow the Program Manager, as well as other support consultants, to move forward with the project, and is premised on the assumption a Progressive Design Builder will be selected to begin work commencing in January 2023.
- FY 2023 will include efforts to achieve goals established in the Authority’s Air Quality Improvement Plan (AQIP) regarding electrification of its vehicle fleet and other initiatives to reduce the Airport’s carbon footprint.
- The FY 2023 adopted budget is presented as a balanced budget with no change to the existing 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.
- The adopted FY 2023 program assumes application of \$4,622,792 in federal relief grant funds to balance the budget.
- The FY 2023 programmed use of Airport reserve funds is limited to the estimated \$34,225,000 in capital outlay for the Replacement Passenger Terminal Project, pending reimbursement through interim financing. Phase one interim financing scheduled to be completed by end of FY 2023.
- All debt service obligations are funded.
- The adopted budget is based upon the following quarterly activity assumptions as compared to pre-COVID activity levels:
  - July – September: a reduction of 10% (represents recovery to 90%)
  - October – December: a reduction of 15% (represents recovery to 85%)
  - January – March: a reduction of 20% (represents recovery to 80%)
  - April – June: a reduction of 15% (represents recovery to 85%)

The above quarterly activity assumptions represent an annual average decrease from pre-COVID activity levels of 15% (represents recovery to 85%).

This conservative approach is based on confirmed activity and is flexible to respond to changes (positive or negative) to the Airport operating environment.

Actual activity and financial performance will be closely monitored as FY 2023 progresses, which may result in recommendations for budget program modifications.

## **FY 2022 BUDGET: OVERVIEW BY CATEGORY**

### **I. FY 2023 OPERATING REVENUES**

FY 2023 operating revenues are programmed to total \$63,970,000, a 68.23% (\$25,945,000) increase over FY 2022 budget levels. The FY 2023 projected operating revenues exceed the FY 2020 (pre-COVID) budget by 6.17% (\$3,720,000). This is primarily due to increased passenger activity and the leasing of previously vacant hangars.

Below is a summary and highlights of projected operating revenues:

#### **FY 2023 Operating Revenues: Summary**

<b>Rentals</b>	<b>\$ 17,775,000</b>
<b>Parking</b>	<b>23,750,000</b>
<b>Concessions</b>	<b>11,375,000</b>
<b>Landing Fees</b>	<b>3,900,000</b>
<b>Investment Income</b>	<b>3,550,000</b>
<b>Ground Transportation</b>	<b>2,040,000</b>
<b>Other Revenues</b>	<b>1,580,000</b>
<b>Total Operating Revenues</b>	<b>\$ 63,970,000</b>

#### **Rentals: \$17,775,000**

Rental revenues have been programmed at a \$1,525,000 increase over the prior year budget primarily due to additional leases that were approved during FY 2022 and CPI increases for existing leases.

Currently, only part of one hangar is vacant and active negotiations for a potential tenant is underway. No rental revenues are included in this budget for the vacant portion of this hangar.

#### **Parking: \$23,750,000**

Parking revenues have been forecasted at \$23,750,000, which are \$13,015,000 greater than the FY 2022 budget.

This substantial increase is primarily driven by the following:

- The recovery of passenger activity from the COVID-19 pandemic;
- An increase in demand for self-park / valet parking options; and
- Parking rate increases effective January 2022.

As the fiscal year progresses, the need and configuration of parking lots will continue to be evaluated based upon passenger activity levels and passenger parking preferences.

In addition, this line item includes \$400,000 from revenues generated by short-term parking space reservation agreements.



**I. FY 2023 OPERATING REVENUES – continued**

The total forecasted parking revenue amount of \$23,750,000 is subject to the City of Burbank's 12% Parking Tax requirement. An amount of \$2,544,643 has been budgeted to be remitted to the City during FY 2023.

**Concessions: \$11,375,000**

This category includes revenues from rental car companies, food / beverage, gift / news, advertising and other ancillary concessionaires. The FY 2023 budget is programmed at \$6,875,000 greater than the prior fiscal year. This budgeted increase is primarily due to:

- The recovery of passenger activity from the COVID-19 pandemic and
- Robust rental car concession revenue, driven by increased demand and reduced level of rental car inventory.

In addition, the prior year's (FY 2022) budget for Concessions was lower due to the expectation that \$2,500,000 in federal relief funds would be utilized to supplement this category.

**Landing Fees: \$3,900,000**

The budget increase of \$1,350,000 reflects the anticipated flight activity by the airlines based on near term schedules. In addition, certain incentive waivers on landing fees to new destinations have expired therefore increasing the forecast for FY 2023.

**Investment Income: \$3,550,000**

Investment income has been forecasted at \$1,250,000 above FY 2022 budget levels primarily due to an increase in yields on the reinvestment of maturing portfolio funds. The use of Airport Reserves to initially fund the FY 2023 Replacement Passenger Terminal Project projected cash outlay of \$34,225,000 has been factored into this forecast. All reinvestments must follow the Authority's Investment Policy guidelines, which are based on capital preservation and conservative investments.



I. **FY 2023 OPERATING REVENUES – continued**

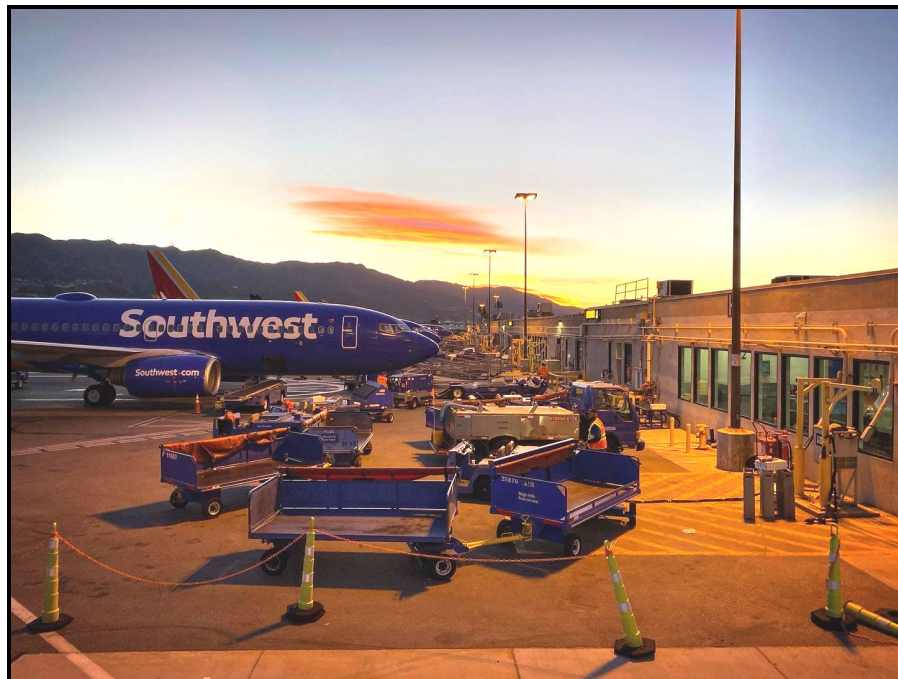
**Ground Transportation: \$2,040,000**

Ground Transportation reflects the Transportation Network Companies (TNC), also known as “rideshare”, passenger drop-off and pick-up fees. Also, included in this category are taxi and off-airport parking fees. The largest component of this revenue category results from the TNC fees of \$3.50 for each drop-off and each pick-up.

Due to the increase in passenger activity this line item has been programmed at \$950,000 above FY 2022 budget levels. The recovery in demand for ride share services continues to be below passenger activity level increases.

**Other Revenues: \$1,580,000**

This category is programmed at \$980,000 more than FY 2022 budget levels. This increase is primarily driven by the inclusion of ground handling and aircraft remote parking fees. Additional revenues budgeted in this category are fuel flowage and security badging fingerprint fees.





## II. **FY 2023 OPERATIONS AND MAINTENANCE (O & M) EXPENSES**

The Operations and Maintenance (O & M) Budget totals \$55,415,900, an increase of 21.06% (\$9,640,350) from the FY 2022 approved budget, primarily to address favorable passenger recovery activity changes and “catch up” on items previously deferred. The FY 2023 O & M budget represents an increase over the three-year ago pre-COVID (FY 2020) budget level by 13.27% (\$6,491,275).

Appropriations included for FY 2023 remain focused on prioritizing safety, security, compliance, and Part 139 operational requirements.

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

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

These appropriations, amounting to \$7,108,700, provide for the salaries and benefits associated with Airport Authority’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 1, 2020. The MOU expires on January 31, 2023; therefore, a replacement agreement requires negotiating during the early part of the fiscal year.

The Workers’ Compensation insurance (Account #8104) is based on the renewal premium estimate received from the Authority’s insurance broker (policy renewal date is August 2022).

The Police Department appropriations cover 34 full-time equivalent positions. No personnel additions are proposed.

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

This account provides for the costs associated with the contracted TBI ARFF personnel. This line item reflects the direct personnel wages and benefits and reimbursement for actual out-of-pocket expenses including related insurance costs and management fee.

Appropriations (\$3,818,000) have been included in this line item in accordance with the current Collective Bargaining Agreement (“CBA”) that became effective July 1, 2020. The staffing level remains the same at 20 full-time equivalent positions. The CBA expires on June 30, 2023; therefore, a replacement agreement requires negotiating during the fiscal year.

## **II. FY 2023 OPERATIONS AND MAINTENANCE (O & M) EXPENSES – continued**

### **➤ Fuel: Account #8302**

The increase of \$250,000 over the prior year budget reflects 1) the reinstatement of parking shuttle service operations (previously suspended due to the pandemic which resulted in remote parking lot closures) and 2) elevated fuel prices anticipated to remain volatile over the next year.

### **➤ Janitorial Services: Accounts #8606, #8607**

The increase of \$387,050 over the prior year budget is primarily due to: 1) a full year of reinstated staffing levels due to increased passenger activity; 2) union wage increases; and 3) increased worker's compensation and general liability insurance premiums.

This contract (Diversified Facility Solutions) will be presented to the Commission in summer 2022 for approval of the final extension year option. Therefore, these services will be placed out to bid during the next fiscal year.

### **➤ Other Contracted O & M Costs: Account #8622**

The \$102,200 increase over the prior year budget is primarily due to 1) annual expenses related to the Police Department's new Automated License Plate Recognition System (ALPRS) and taser equipment agreements and 2) parking lot license plate inventory (LPI) service agreement costs.

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

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

The increase of \$1,673,200 in this line item reflects 1) full year of reinstated staffing levels previously authorized by the Commission in October 2021 due to increased passenger activity with elevated demand for self-park / valet services; and 2) union wage and other benefits increases.

The SP+ contract will be presented to the Commission in June 2022 for approval of the last extension year option. As the final extension year option expires on June 30, 2023, these services will be placed out to bid during FY 2023.

### **➤ Contracted Transportation Services (Shuttle Services): Account #8626**

Parking shuttle services, previously placed on suspension during the pandemic, were authorized by the Commission in October 2021 to be reinstated as passenger activity began showing signs of recovery, which resulted in the reopening of the remote parking lots. The \$2,935,000 increase over the prior year budget reflects a full year of shuttle services based on the current monthly rate with MV Transportation. As this contract expires December 31, 2022, these services will be placed for bid with a focus on the potential for conversion to an all-electric shuttle fleet. The FY 2023 appropriations represent a place holder pending results of the bid process where a modification to this line item may be necessary.

## II. **FY 2023 OPERATIONS AND MAINTENANCE (O & M) EXPENSES – continued**

### ➤ **Legal Services: Account #8704**

Additional appropriations in the amount of \$550,000 over the FY 2022 budget have been programmed to address several ongoing litigation issues.

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

This line item represents the estimated FY 2023 costs associated with the Restated and Amended TBI Airport Management, Inc. contract (ARFF services expenses are not included as they are programmed separately in Account #8604).

The estimated FY 2023 costs of this contract include the funding of:

- 6% merit allowance adjustment for non-represented employees. Due to the pandemic, these positions have been on a wage freeze and have not received pay increases since July 2019.
- Collective Bargaining Agreement (CBA) increases for represented employees. During the pandemic, represented employees continued to receive increases in accordance with the agreement.
- Reinstatement of retention allowance (flat to pre-COVID level).
- 10% allowance for potential mid-fiscal year increases to medical / dental benefits.
- Additional three (3) positions and a promotion:
  - Communications Center Supervisor
  - Communications Center Dispatcher
  - Safety Management Systems (SMS) Specialist
  - Promotion from Senior Manager to Director, Human Resources

Below are components of this \$16,035,000 account:

<b>Components of FY 2023</b>			
<b>Account #8708: Professional Management Services (TBI)</b>			
	<b>Salaried</b>	<b>Hourly</b>	<b>Total</b>
<b>Wages</b>	\$ 6,414,309	\$ 4,581,210	\$ 10,995,519
<b>Healthcare</b>	943,381	987,065	1,930,446
<b>Retirement</b>	391,347	335,517	726,864
<b>Other Fringe</b>	631,510	531,135	1,162,645
<b>Subtotal</b>	<u>8,380,547</u>	<u>6,434,927</u>	<u>14,815,474</u>
<b>Merit Allowance</b>	364,860	45,704	410,564
<b>Maintenance CBA</b>	—	58,478	58,478
<b>Subtotal</b>	<u>8,745,407</u>	<u>6,539,109</u>	<u>15,284,516</u>
<b>Less costs charged to Projects</b>			(250,805)
<b>Supplemental Allowance</b>			100,000
<b>Management Fee</b>			901,289
<b>Total Account # 8708</b>			<u><u>\$ 16,035,000</u></u>
<b>Number of funded positions</b>	56	63	119



II. **FY 2023 OPERATIONS AND MAINTENANCE (O & M) EXPENSES – continued**

➤ **Financial Services: Account #8710**

The increase of \$305,000 is primarily due to additional credit card processing fees related to parking demand.

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

The \$926,300 increase in this line item is primarily due to:

- Full year of staffing additions for traffic control services (Allied) authorized by the Commission during FY 2022, due to increased passenger activity. As the current contract expires October 31, 2022, these services will be placed out for bid in the beginning of FY 2023. The budget represents a placeholder pending results of the bid process when a modification to this line item may be necessary;
- The required FAA update of a Wildlife Hazard Assessment plan to be reimbursed through PFC revenues; and
- Certain other services to assist in transitioning to meet AQIP goals and litigation support services.

➤ **Environmental Services: Account #8715**

The increase of \$102,000 reflects additional efforts to assess, manage and reduce the Airport's carbon footprint.

➤ **Insurance: Account #8816**

The Authority's insurance policies renew on July 1, 2022; therefore, this line item reflects the anticipated policy premiums the Authority's insurance broker has estimated for FY 2023.

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

Reflects a partial reinstatement of efforts to promote Hollywood Burbank Airport in conjunction with increased passenger demand and new air service. The FY 2023 adopted budget is \$195,000 above prior year amount however remains below pre-COVID (FY 2020) appropriation levels.

➤ **Vehicles / Equipment: Account #9010**

After holding back a majority of vehicle acquisitions during the pandemic, at the direction of the Commission towards its AQIP goals, the adopted FY 2023 budget includes two hybrid vehicles and six Level 3 combustion engine medium duty vehicles. These vehicles support public safety, operations, maintenance, and administration.

➤ **Other Machinery / Equipment: Account #9022**

Provides for several items such as replacement radios, acquisition of a reflectometer, replacement emergency extrication device and canopies to weather protect maintenance equipment.

### III. **FY 2023 FACILITY IMPROVEMENT (CAPITAL) BUDGET**

The total adopted FY 2023 Facility Improvement (Capital) Budget of \$45,915,000 consists of the following amounts by category:

Category	Adopted FY 2023 Budget
Building Improvements	\$ 250,000
IT / Communications / Security	1,335,000
Equipment	750,000
Runway / Taxiway / Roadway Projects	8,355,000
Noise Mitigation	1,000,000
Subtotal	\$ 11,690,000
Replacement Passenger Terminal Project	\$ 34,225,000
Total Adopted FY 2023 Improvement Budget	\$ 45,915,000

The following six projects make up 92.02% of the total adopted \$45,915,000 capital program:

- Replacement Passenger Terminal Project (*multi-year*): \$ 34,225,000
- Taxiway C Pavement Rehabilitation (*Construction*): \$ 3,400,000
- Airfield Lighting Vault Replacement (*Construction*): \$ 3,000,000
- Parking Lot Improvements: \$ 575,000
- Communications Center Equipment Replacement: \$ 550,000
- Runway/Taxiway Shoulder Rehabilitation (*Design*): \$ 500,000

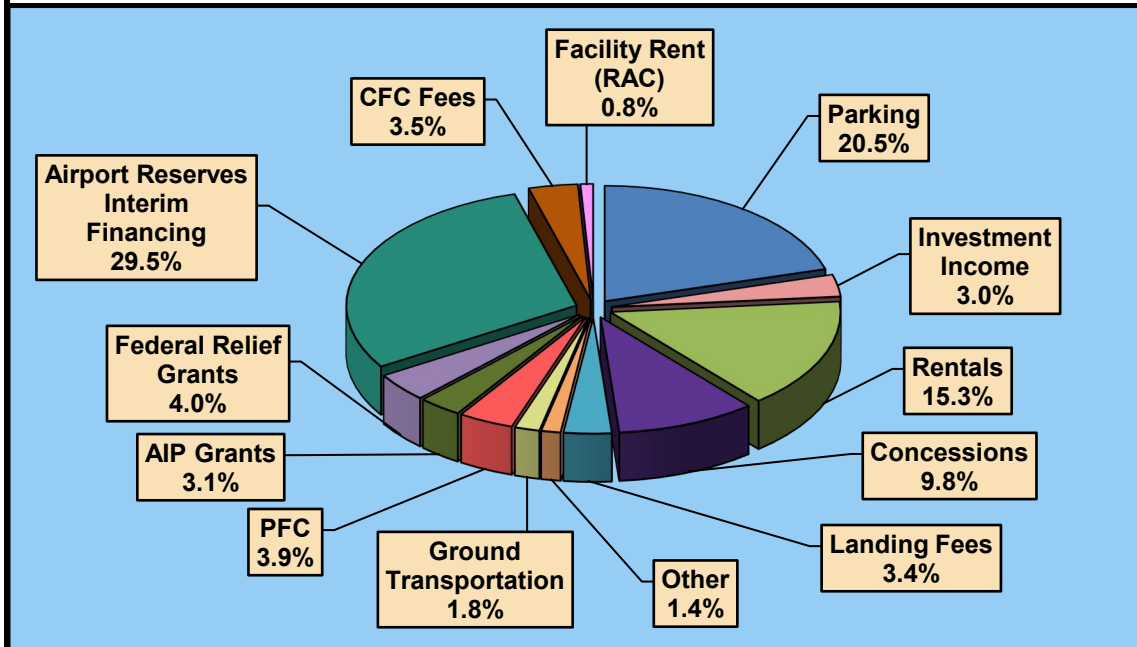
Appropriations in the amount of \$34,225,000 are included for the Replacement Passenger Terminal Project to allow the Program Manager, as well as other support consultants, to move forward with the project. The FY 2023 cost estimate is premised on the assumption a Progressive Design Builder will be selected to begin work commencing in January 2023.

Additional details regarding the FY 2023 Replacement Passenger Terminal project costs as well as the total Capital program is included on page 4 of this document.

Separately, the air carriers are supporting a \$1,225,000 hardware / software rehabilitation of the CUPPS (Common Use Passenger Processing System) in FY 2023 that is being impacted by supply chain issues. The air carriers will reimburse the costs.



**Adopted FY 2023 Budget**  
**- Total Sources of Funds: \$115,898,754 -**

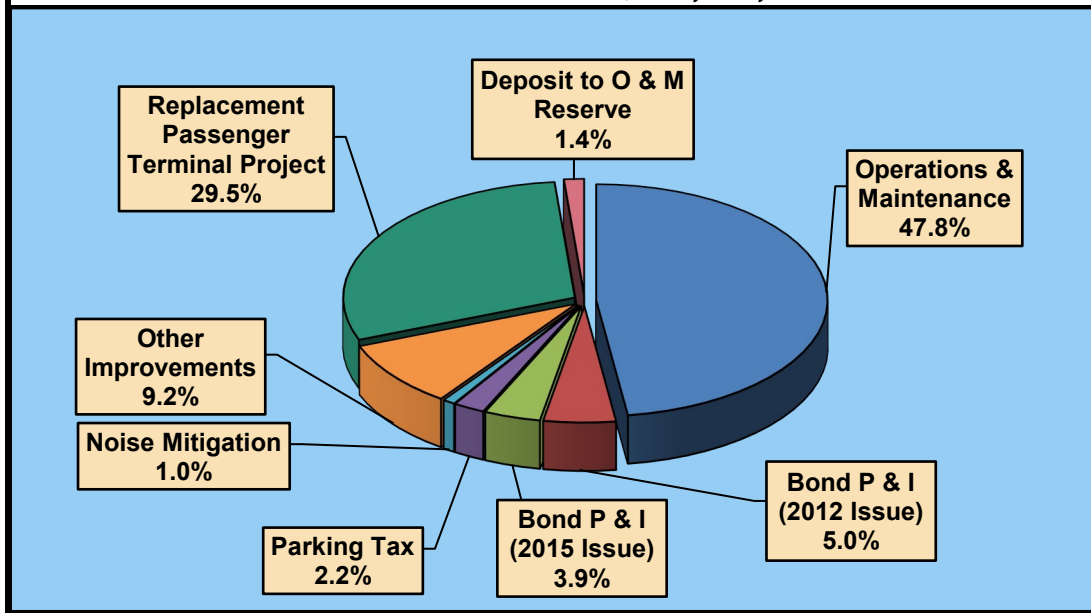


**Sources of Funds: Summary**

Parking	\$ 23,750,000	
Rentals	17,775,000	
Concessions	11,375,000	
Landing Fees	3,900,000	
Investment Income	3,550,000	
Ground Transportation	2,040,000	
Other Revenues	1,580,000	
<b>Total Operating Revenues</b>		<b>\$ 63,970,000</b>
PFC Revenues / Reserves	\$ 4,504,040	
Airport Improvement Program Grants	3,545,960	
CFC Fees: 2012 Bond Issue	4,000,000	
Facility Rent - RAC	1,030,962	
<b>Total Nonoperating Revenues</b>		<b>\$ 13,080,962</b>
Federal Relief Grant Funds		
Bond P & I (2012 Issue)	\$ 804,930	
Bond P & I (2015 Issue)	3,817,862	
<b>Total Federal Relief Grant Funds</b>		<b>\$ 4,622,792</b>
<b>Airport Reserves / Interim Financing (Note 1)</b>		<b>\$ 34,225,000</b>
<b>Total FY 2023 Sources of Funds:</b>		<b>\$ 115,898,754</b>

Note 1: Programmed use of Airport Reserves is limited to the estimated FY 2023 capital outlay for the Replacement Passenger Terminal (RPT) project, pending reimbursement through interim financing.

**Adopted FY 2023 Budget**  
**- Total Uses of Funds: \$115,898,754 -**



***Uses of Funds: Summary***

Bond Principal & Interest (2012 Issue)	\$ 5,835,892
Bond Principal & Interest (2015 Issue)	4,564,500
Operations & Maintenance	55,415,900
Parking Tax	<u>2,544,643</u>
Sub-Total	\$ 68,360,935
Facility Improvement Program	
Noise Mitigation	\$ 1,000,000
Other Improvements	10,690,000
Replacement Passenger Terminal Project	<u>34,225,000</u>
Sub-Total	\$ 45,915,000
Additional O & M Reserve Requirement	<u>\$ 1,622,819</u>
Total FY 2023 Uses of Funds:	<u><u>\$ 115,898,754</u></u>