



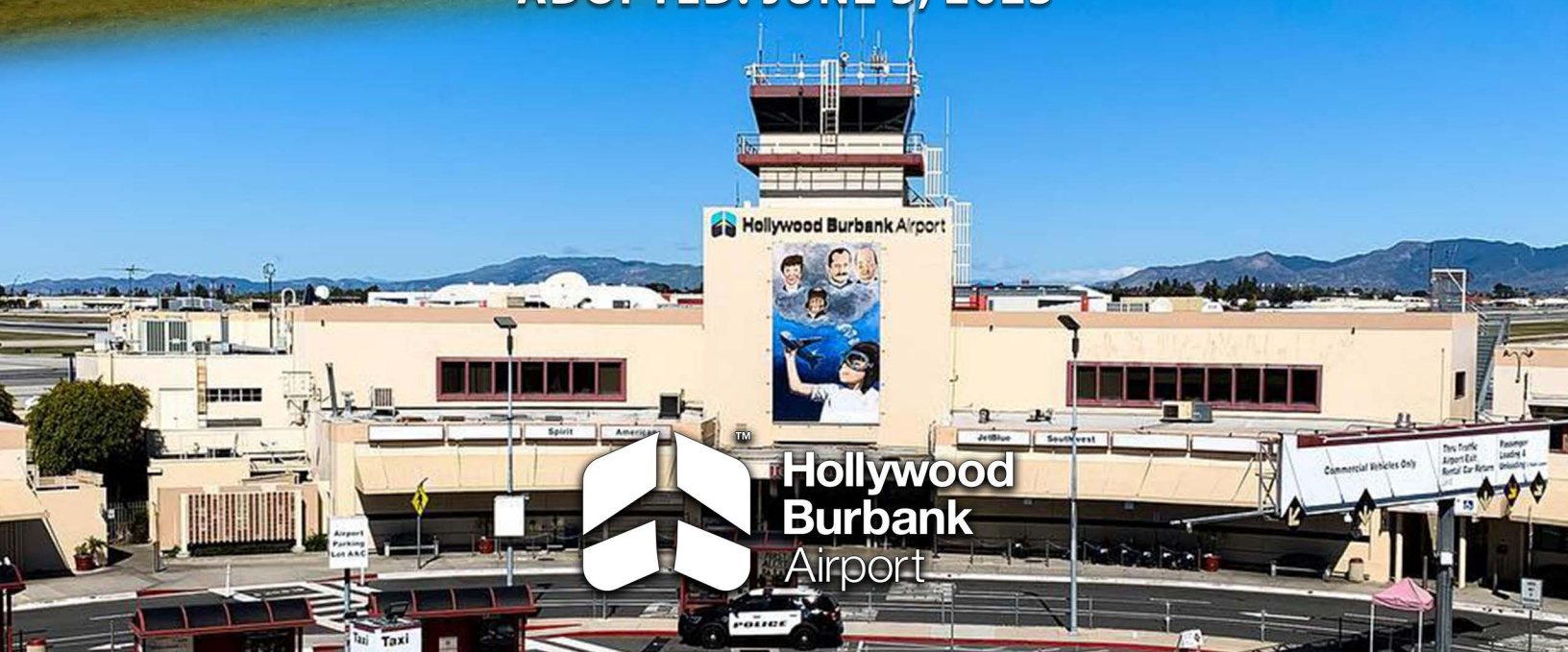
**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

**FY 2023/2024**



**BUDGET AND BUDGET OVERVIEW**

**ADOPTED: JUNE 5, 2023**





**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**ADOPTED FY 2023/2024 ("FY 2024") BUDGET**  
**SUMMARY**

**SOURCES OF FUNDS: SUMMARY**

	Adopted Budget FY 2024	Adopted Budget FY 2023	\$ Change	% Change
Rentals	\$ 18,200,000	\$ 17,775,000	\$ 425,000	2.39%
Parking	27,450,000	23,750,000	3,700,000	15.58%
Concessions	13,285,000	11,375,000	1,910,000	16.79%
Landing Fees	4,250,000	3,900,000	350,000	8.97%
Investment Income	5,450,000	3,550,000	1,900,000	53.52%
Ground Transportation	3,490,000	2,040,000	1,450,000	71.08%
Other Revenues	1,625,000	1,580,000	45,000	2.85%
<b>Total Operating Revenues</b>	<b>73,750,000</b>	<b>63,970,000</b>	<b>9,780,000</b>	<b>15.29%</b>
1) PFC Revenues / Reserves - Non-RPT	5,279,264	4,504,040	775,224	17.21%
1) Airport Improvement Program Grants - Non-RPT	1,657,736	3,545,960	(1,888,224)	-53.25%
CFC Reserves	400,000	-	400,000	N/A
CFC Fees: 2012 Bond Issue	4,600,000	4,000,000	600,000	15.00%
Facility Rent - RAC	1,232,433	1,030,962	201,471	19.54%
<b>Total Nonoperating Revenues</b>	<b>13,169,433</b>	<b>13,080,962</b>	<b>88,471</b>	<b>0.68%</b>
<b>Total Operating &amp; Nonoperating Revenues</b>	<b>86,919,433</b>	<b>77,050,962</b>	<b>9,868,471</b>	<b>12.81%</b>
Federal Relief Grant Funds				
Bond P & I (2012 Issue)	-	804,930	(804,930)	-100.00%
Bond P & I (2015 Issue)	-	3,817,862	(3,817,862)	-100.00%
<b>Total Federal Relief Grant Funds</b>	<b>-</b>	<b>4,622,792</b>	<b>(4,622,792)</b>	<b>-100.00%</b>
<b>Total Revenues &amp; Federal Relief Grant Funds</b>	<b>86,919,433</b>	<b>81,673,754</b>	<b>5,245,679</b>	<b>6.42%</b>
2) Authority Reserves / RPT Financing	157,829,049	34,225,000	123,604,049	361.15%
<b>Total</b>	<b>\$ 244,748,482</b>	<b>\$ 115,898,754</b>	<b>\$ 128,849,728</b>	<b>111.17%</b>

**USES OF FUNDS: SUMMARY**

	Adopted Budget FY 2024	Adopted Budget FY 2023	\$ Change	% Change
Bond P & I (2012 Issue)	\$ 5,832,433	\$ 5,835,892	\$ (3,459)	-0.06%
Bond P & I (2015 Issue)	4,567,500	4,564,500	3,000	0.07%
<b>Subtotal Debt Service</b>	<b>10,399,933</b>	<b>10,400,392</b>	<b>(459)</b>	<b>0.00%</b>
Operations and Maintenance	61,136,323	55,415,900	5,720,423	10.32%
<b>Total Operating Expenses</b>	<b>71,536,256</b>	<b>65,816,292</b>	<b>5,719,964</b>	<b>8.69%</b>
Facility Improvement Program				
Noise Mitigation	1,000,000	1,000,000	-	0.00%
Other Improvements	9,262,000	10,690,000	(1,428,000)	-13.36%
Replacement Passenger Terminal Project	158,579,049	34,225,000	124,354,049	363.34%
<b>Total Facility Improvement Program</b>	<b>168,841,049</b>	<b>45,915,000</b>	<b>122,926,049</b>	<b>267.73%</b>
Parking Tax	2,941,071	2,544,643	396,428	15.58%
<b>Total Operating &amp; Nonoperating Expenses</b>	<b>243,318,376</b>	<b>114,275,935</b>	<b>129,042,441</b>	<b>112.92%</b>
Additional O & M Reserve Requirement	1,430,106	1,622,819	(192,713)	-11.88%
<b>Total</b>	<b>\$ 244,748,482</b>	<b>\$ 115,898,754</b>	<b>\$ 128,849,728</b>	<b>111.17%</b>

**Notes:**

1) Represents Passenger Facility Charge (PFC) utilization and Airport Improvement (AIP) grants for projects other than the Replacement Passenger Terminal (RPT).

2) Represents estimated FY 2024 RPT Project expenditures subject to modification as the fiscal year progresses. Initial funding of these expenditures projected with PFC approved application for design fees and initial BIL grants with the balance supported with rollover issues of Commercial Paper (CP) program until construction financing is in place and refunds outstanding CP. Construction financing may include TIFIA, GARBs, BIL, AIP, PFC, and Authority Reserves.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**ADOPTED FY 2023/2024 ("FY 2024") BUDGET**  
**OPERATIONS & MAINTENANCE ("O & M") EXPENSES**

<b>ACCT #</b>	<b>DESCRIPTION</b>	<b>ADOPTED BUDGET FY 2024</b>	<b>ADOPTED BUDGET FY 2023</b>	<b>\$ AMOUNT CHANGE</b>	<b>% CHANGE</b>
8000	Regular Wages	\$ 3,748,000	\$ 3,453,000	\$ 295,000	8.54%
8012	Overtime Wages	380,000	360,000	20,000	5.56%
8100	Sick Leave	293,000	279,000	14,000	5.02%
8102	Vacation	290,000	285,000	5,000	1.75%
8103	Payroll Taxes	400,000	378,000	22,000	5.82%
8104	Workers' Compensation Insurance	710,000	685,000	25,000	3.65%
8105	Group Insurance	702,000	581,000	121,000	20.83%
8107	Retiree Medical Trust	51,000	48,000	3,000	6.25%
8109	Holiday	255,000	238,000	17,000	7.14%
8110	Employee Retirement Plan	620,000	543,000	77,000	14.18%
8111	Employee Medical Opt Out	28,800	28,800	-	0.00%
8115	FSA Admin.	900	900	-	0.00%
8120	Certification Pay	352,000	217,000	135,000	62.21%
8125	Training Pay	13,000	12,000	1,000	8.33%
8200	Office Supplies	85,000	70,000	15,000	21.43%
8202	Periodicals, Maps and Pamphlets	13,600	7,900	5,700	72.15%
8204	Printing and Binding	14,400	13,350	1,050	7.87%
8206	Special Office / Other Supplies	117,250	110,940	6,310	5.69%
8208	Postage	16,000	14,000	2,000	14.29%
8210	Office / Noise Equipment Service	163,675	191,550	(27,875)	-14.55%
8212	Copy Machine Lease	26,600	26,600	-	0.00%
8214	Office Equipment Rent	700	700	-	0.00%
8216	Photographic Expense	250	250	-	0.00%
8252	Recruitment Expense	30,000	20,000	10,000	50.00%
8254	Membership Dues	169,220	165,470	3,750	2.27%
8256	Uniform Expense	161,000	149,840	11,160	7.45%
8258	Commission Meeting	175,000	175,000	-	0.00%
8260	Conference Meeting	163,800	108,800	55,000	50.55%
8261	Training Expense	462,500	347,050	115,450	33.27%
8302	Fuel, Oil and Lubricants	525,000	400,000	125,000	31.25%
8303	Low Value Communications Equipment	3,500	2,000	1,500	75.00%
8304	Low Value Machinery / Equipment	21,450	21,250	200	0.94%
8305	Low Value Furniture / Fixtures	32,200	12,000	20,200	168.33%
8306	Vehicle Repair / Maintenance Supplies	50,500	50,000	500	1.00%
8308	General Repair / Maintenance	120,000	150,000	(30,000)	-20.00%
8316	Shop Supplies	61,000	66,000	(5,000)	-7.58%
8318	Electrical Supplies	181,000	160,250	20,750	12.95%
8320	Plumbing, Heating and Air Conditioning	190,000	190,000	-	0.00%
8322	Building / Construction Supplies	75,000	75,000	-	0.00%
8324	Telephone Expense	375,000	320,000	55,000	17.19%
8326	Communications Maintenance	58,600	58,600	-	0.00%
8332	Industrial Chemical Supplies	14,500	14,500	-	0.00%

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**ADOPTED FY 2023/2024 ("FY 2024") BUDGET**  
**OPERATIONS & MAINTENANCE ("O & M") EXPENSES**

ACCT #	DESCRIPTION	ADOPTED BUDGET FY 2024	ADOPTED BUDGET FY 2023	\$ AMOUNT CHANGE	% CHANGE
8334	Operating / Maintenance Equipment Lease	\$ 67,650	\$ 91,300	\$ (23,650)	-25.90%
8335	Other Leases / Rentals	35,000	-	35,000	N/A
8336	Utility – Gas	90,000	55,000	35,000	63.64%
8338	Utility – Electric	1,800,000	1,600,000	200,000	12.50%
8340	Utility – Water	490,000	430,000	60,000	13.95%
8341	Sign Repair and Maintenance	115,100	110,000	5,100	4.64%
8342	Landscaping Expense	270,000	258,000	12,000	4.65%
8344	Paint Expense	167,500	167,500	-	0.00%
8604	ARFF Services	3,818,000	3,818,000	-	0.00%
8606	Tenant Janitorial Services	1,111,750	937,500	174,250	18.59%
8607	Janitorial Services	1,535,250	1,294,750	240,500	18.58%
8608	Refuse Collection	185,000	185,000	-	0.00%
8610	Contractual Building	297,000	190,000	107,000	56.32%
8612	Contractual Systems	1,710,500	1,438,500	272,000	18.91%
8620	Contractual Vehicle Maintenance	385,400	385,400	-	0.00%
8622	Other Contracted O & M Costs	1,094,978	1,052,100	42,878	4.08%
8625	Contractual Parking Ops. (Self-Park / Valet)	5,693,200	5,693,200	-	0.00%
8626	Contractual Transportation Services	3,000,000	3,000,000	-	0.00%
8702	Noise Consultants	87,000	87,000	-	0.00%
8704	Legal Services	1,200,000	1,200,000	-	0.00%
8706	Audit Services	140,000	140,000	-	0.00%
8708	Professional Management Services	17,450,000	16,035,000	1,415,000	8.82%
8709	Engineering Services	210,000	85,000	125,000	147.06%
8710	Financial Services	1,158,000	860,000	298,000	34.65%
8711	Other Professional Services	3,153,400	2,376,300	777,100	32.70%
8715	Environmental Services	242,000	202,000	40,000	19.80%
8804	Bad Debt Expense	4,000	4,000	-	0.00%
8816	Insurance	1,865,000	1,690,000	175,000	10.36%
8818	Public Relations / Advertising	110,500	104,500	6,000	5.74%
8819	Air Service Retention and Development	910,000	630,000	280,000	44.44%
8822	Licenses, Permits and Fees	362,650	341,600	21,050	6.16%
8825	Uninsured Loss	10,000	10,000	-	0.00%

<b>TOTAL O &amp; M EXPENDITURES</b>	<b>\$ 59,919,323</b>	<b>\$ 54,501,400</b>	<b>\$ 5,417,923</b>	<b>9.94%</b>
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**O & M EQUIPMENT AND PROJECTS**

9010	Vehicles / Equipment	\$ 734,000	\$ 524,000	\$ 210,000	40.08%
9022	Other Machinery / Equipment	398,000	296,000	102,000	34.46%
9026	Office Equipment / Systems	85,000	94,500	(9,500)	-10.05%

<b>TOTAL O &amp; M EQUIPMENT / PROJECTS</b>	<b>\$ 1,217,000</b>	<b>\$ 914,500</b>	<b>\$ 302,500</b>	<b>33.08%</b>
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<b>TOTAL OPERATIONS AND MAINTENANCE</b>	<b>\$ 61,136,323</b>	<b>\$ 55,415,900</b>	<b>\$ 5,720,423</b>	<b>10.32%</b>
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**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
ADOPTED FY 2023/2024 ("FY 2024") BUDGET  
FACILITY IMPROVEMENT (CAPITAL) PROGRAM**

PROJECT DESCRIPTION		COST	FUNDED BY				
			NON-RPT PFC REVENUES	NON-RPT AIP GRANTS	CFC RESERVES	RPT: PLAN OF FINANCE <sup>16</sup>	AIRPORT SHARE
BUILDING IMPROVEMENTS							
1)	Minor Building Improvements	\$ 250,000	\$ -	\$ -	\$ -	\$ -	250,000
2)	RITC Art in Public Places	400,000	-	-	400,000	-	-
3)	Bldg. 36 Security / Ramp Access Doors Replacement	135,000	-	-	-	-	135,000
TOTAL BUILDING IMPROVEMENTS		\$ 785,000	\$ -	\$ -	\$ 400,000	\$ -	\$ 385,000
IT / COMMUNICATIONS / SECURITY							
4)	Communications Center Equip. (carryover)	\$ 725,000	\$ -	\$ -	\$ -	\$ -	725,000
5)	Mobile Police Firearms Training Range	425,000	-	-	-	-	425,000
6)	DVSS Hardware Replacement / Upgrades	200,000	-	-	-	-	200,000
TOTAL IT / COMMUNICATIONS / SECURITY		\$ 1,350,000	\$ -	\$ -	\$ -	\$ -	\$ 1,350,000
EQUIPMENT							
7)	ARFF Truck Replacement	\$ 1,132,000	\$ 205,164	\$ 851,836	\$ -	\$ -	75,000
8)	Airfield Maint. Equipment: Tractor Mower (carryover)	200,000	-	-	-	-	200,000
9)	Parking Revenue Control Equipment	135,000	-	-	-	-	135,000
TOTAL EQUIPMENT		\$ 1,467,000	\$ 205,164	\$ 851,836	\$ -	\$ -	\$ 410,000
RUNWAY / TAXIWAY / ROADWAY PROJECTS							
10)	Runway 8 PAPI Relocation (completion)	\$ 275,000	\$ 275,000	\$ -	\$ -	\$ -	-
11)	Runway / Taxiway Shoulder Rehabilitation	4,510,000	4,410,000	-	-	-	100,000
12)	Landside Roadway Pavement Rehabilitation	400,000	-	-	-	-	400,000
13)	Parking Lot F Development (carryover)	175,000	-	-	-	-	175,000
14)	Preliminary Study - Parking Lot D Improvements	300,000	-	-	-	-	300,000
TOTAL RUNWAY / TAXIWAY / ROADWAY PROJECTS		\$ 5,660,000	\$ 4,685,000	\$ -	\$ -	\$ -	\$ 975,000
NOISE MITIGATION							
15)	Part 150 Update (multi-year)	\$ 1,000,000	\$ 194,100	\$ 805,900	\$ -	\$ -	-
TOTAL NOISE MITIGATION		\$ 1,000,000	\$ 194,100	\$ 805,900	\$ -	\$ -	-
SUBTOTAL		\$ 10,262,000	\$ 5,084,264	\$ 1,657,736	\$ 400,000	\$ -	\$ 3,120,000
REPLACEMENT PASSENGER TERMINAL PROJECT							
16)	Replacement Passenger Terminal Project (multi-year)	\$ 158,579,049	\$ -	\$ -	\$ -	\$ 157,079,049	\$ 1,500,000
TOTAL FACILITY IMPROVEMENT PROGRAM		\$ 168,841,049	\$ 5,084,264	\$ 1,657,736	\$ 400,000	\$ 157,079,049	\$ 4,620,000

**Notes:**

- 1) Appropriations in the amount of \$250K have been included to address small projects.
- 2) Fulfillment of Art in Public Places requirement at the Regional Intermodal Transportation Center (RITC) (\$400K).
- 3) Building 36 Security / Ramp Access Doors Replacement: To replace aging security / ramp access doors (\$135K).
- 4) Communications Equipment Replacement: (\$525K Console Replacement - completion; \$200K Emergency Alert Phone Replacement).
- 5) Mobile Police Firearms Training Range: Allows for on-site completion of required range qualification training (\$425K).
- 6) Digital Video Surveillance System (DVSS): Installation of new and replacement equipment (\$200K).
- 7) ARFF Truck Replacement: Pending AIP Grant and delivery lead times.
- 8) Airfield Maintenance Equipment: Replacement tractor mower due to age of existing equipment. Carryover from FY 2023 due to supply chain issues.
- 9) Parking Revenue Control Equipment: Upgrades and added equipment (\$135K).
- 10) Runway 8 PAPI Relocation: \$275K programmed in FY 2024 for project completion.
- 11) Runway / Taxiway Shoulder Rehabilitation: Design revised due to scope modification. \$4,510,000 programmed in FY 2024 for construction.
- 12) Landside Roadway Pavement Rehabilitation: \$400K programmed in FY 2024 to primarily address pavement deterioration.
- 13) Parking Lot F Development: Construction to commence FY 2023. \$175K programmed in FY 2024 for project completion.
- 14) Preliminary Study Parking Lot D Improvements: Evaluation of a project to improve utilization and access to parking Lot D (\$300K).
- 15) Part 150 Update (multi-year): Pending AIP Grant, \$1,000,000 programmed in FY 2024.
- 16) Replacement Passenger Terminal Project (multi-year):

**Funded by RPT: Plan of Finance (see note below)**

Program Manager (Jacobs)  
Design PDB (HPTJV)  
Precon./ Construction Work PDB (HPTJV)  
Support Services (Financial, Technical, Legal, Other)

Forecasted FY 2024	
\$	8,287,579
	23,597,514
	123,483,956
	1,710,000
\$	157,079,049

**Funded by Airport Share**

Commercial Paper (CP) Program Fees

**Forecasted FY 2024 Project Expenditures**

	1,500,000
<b>\$</b>	<b>158,579,049</b>

Note: Anticipated Plan of Finance funding sources include AIP, PFC, BIL, CP program, TIFIA loan, GARB issuance, and Authority Reserves.

## **Budget Overview: Fiscal Year 2023/2024 (“FY 2024”)**



### **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 were received to support the loss of activity-based revenues.

After a challenging, multi-year period the Airport began experiencing stability in the recovery of passengers from the pandemic and has successfully navigated through the volatile times, maintaining fiscal and operational viability. Services and non-essential discretionary projects / expenditures that had been placed at reduced levels or suspension continue to be reinstated to address the return of passenger activity.

The Replacement Passenger Terminal (“RPT”) project, which had been placed on suspension in March 2020, was approved to restart by the Commission in August 2021 with the support of the air carriers. This important safety project has progressed with the assistance of the Program Manager to recently include the Commission approved contract award to a Progressive Design Builder (PDB) in December 2022, and the selection by the Commission of a RPT design concept in April 2023.

BUR April FYTD 2023 reflects passenger activity rebounding close to pre-pandemic levels which includes the anomaly of the non-pandemic related reduction in passengers due to weather and associated significant flight schedule disruptions that occurred in December / January. The near-term outlook for travel demand is anticipated to be relatively stable, positioned for some modest growth with the announced additions by air carriers of added flight frequencies and new destinations.

## **INTRODUCTION – continued**

While the near-term passenger activity outlook remains positive, it is tempered by evolving global and economic issues that may dampen passenger demand, creating caution as FY 2024 budget assumptions have been developed. These issues include:

- Continued unstable global events, contributing to ongoing volatile fuel prices;
- Airline staffing shortages which may impact flight schedules and new increased wage labor agreements which compounded by volatile fuel costs may translate into higher ticket prices;
- Federal Reserve actions to address inflation concerns;
- Continued supply chain disruptions / delays for goods and services;
- Economic uncertainties which may cause instability in consumer behavior; and,
- Potential for lingering pandemic issues.

The leisure market tends to be sensitive to price and economic conditions, which could result in a dampening of discretionary travel demand. Additionally, the return of business travel remains uncertain, therefore, assumptions utilized for the development of FY 2024 budget remain conservative.

## **BUDGET OVERVIEW:**

### **• Highlights and Noteworthy Items:**

- FY 2024 projected operational activity has been based flat to FY 2023 total estimated passenger levels of 6,000,000. This level is close to pre-pandemic activity and is considered conservative as it includes the anomaly of significant weather-related flight schedule disruptions experienced last winter.
- The FY 2024 passenger level assumption of 6,000,000 is divided by quarter to reflect seasonal fluctuations as follows:
  - July – September: 1,620,000 (represents 27% of total)
  - October – December: 1,560,000 (represents 26% of total)
  - January – March: 1,200,000 (represents 20% of total)
  - April – June: 1,620,000 (represents 27% of total)
- The programmed FY 2024 increase in operating revenues over the FY 2023 budget is primarily due to the return of passenger activity. The non-activity-based investment income revenue source reflects favorable activity due to elevated re-investment rates. Overall FY 2024 operating revenues are programmed slightly below FY 2023 estimated actual levels and account for the termination in FY 2024 of certain leased / other spaces to accommodate the progress of the RPT project plus allowances for potential changes in passenger behavior due to uncertain economic conditions.
- While the rebound in passenger activity is reflected in positive operating revenue performance, it also contributes to increases in Operating and Maintenance (“O&M”) expenses as the Airport reinstates services and experiences “catch up” on items previously deferred due to the pandemic. Expense line items, where applicable, have been developed utilizing a zero-based budget approach.



## **BUDGET OVERVIEW – continued**

- All existing debt service obligations are funded. The 2015 outstanding Airport bonds will fully mature on July 1, 2024, therefore, this is the last fiscal year of debt service for this issuance.
- The FY 2024 budget includes estimated expenditures of \$158,579,049, subject to modification as the fiscal year progresses, to continue development of the multi-year RPT project. Additional detail is provided on page four of this document.
- Pandemic related federal relief funds will be fully utilized in FY 2023 except for a remaining amount of \$2,560,424 required as direct pass through to certain qualifying concessionaires.
- The FY 2024 adopted budget is presented as a balanced budget with initially 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. These rates are subject to change during the second half of the fiscal year subject to the funding sources utilized to support the RPT project construction financing.
- Actual activity and financial performance will be closely monitored as FY 2024 progresses, which may result in recommendations to the budget program.





## **FY 2024 BUDGET: OVERVIEW BY CATEGORY**

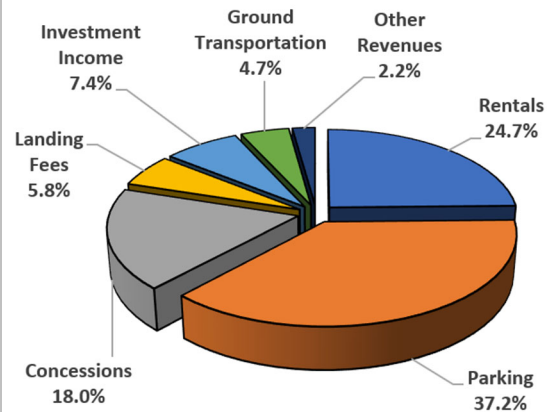
### **I. FY 2024 OPERATING REVENUES**

FY 2024 operating revenues are programmed to total \$73,750,000, a 15.29% (\$9,780,000) increase over FY 2023 budget levels.

Below is a summary and highlights of projected operating revenues:

#### **FY 2024 Operating Revenues: Summary**

<b>Rentals</b>	<b>\$ 18,200,000</b>
<b>Parking</b>	<b>27,450,000</b>
<b>Concessions</b>	<b>13,285,000</b>
<b>Landing Fees</b>	<b>4,250,000</b>
<b>Investment Income</b>	<b>5,450,000</b>
<b>Ground Transportation</b>	<b>3,490,000</b>
<b>Other Revenues</b>	<b>1,625,000</b>
<b>Total Operating Revenues</b>	<b>\$73,750,000</b>



#### **Rentals: \$18,200,000**

Rental revenues have been programmed at a \$425,000 increase over the prior year budget primarily due to favorable CPI increases as per existing lease contract terms. The adopted budget is \$434,322 below the FY 2023 estimated actual amount to account for the FY 2024 termination of certain leases to accommodate the RPT project.

#### **Parking: \$27,450,000**

Parking revenues have been forecasted at \$27,450,000, \$3,700,000 greater than the FY 2023 budget and slightly lower than estimated FY 2023 actual amounts.

This budget projection includes:

- The recovery of passenger activity and continued demand for self-park / valet parking options.
- Potential impacts from the anticipated mid-fiscal year closure of Economy Lot A to accommodate the RPT project.
- 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 \$300,000 from revenues generated by short-term parking space reservation agreements.

I. **FY 2024 OPERATING REVENUES – continued**

The total forecasted parking revenue amount of \$27,450,000 is subject to the City of Burbank's 12% Parking Tax requirement. An amount of \$2,941,071 has been budgeted to be remitted to the City during FY 2024.

**Concessions: \$13,285,000**

This category includes revenues generated from rental car companies, food / beverage, gift / news, advertising and other ancillary concessionaires. The adopted FY 2024 budget is programmed at \$1,910,000 greater than the prior fiscal year and slightly below estimated FY 2023 actual performance.

This category is forecasted to include:

- The recovery of passenger activity tempered by potential changes in passenger behavior.
- Robust rental car concession revenue, driven by demand.

**Landing Fees: \$4,250,000**

The FY 2024 budgeted increase of \$350,000 reflects the anticipated flight activity by the airlines based on near term schedules and is essentially flat to FY 2023 actual revenues.

**Investment Income: \$5,450,000**

Investment income has been forecasted at \$1,900,000 above FY 2023 budget levels reflecting the increase in yields on the reinvestment of maturing portfolio funds.

All reinvestments must follow the Authority's Investment Policy guidelines, which are based on capital preservation and conservative investments.

The potential utilization of \$100,000,000 in Airport Reserves to support the RPT project financing plan during the last quarter of FY 2024 has been factored into the forecast.



I. **FY 2024 OPERATING REVENUES – continued**

**Ground Transportation: \$3,490,000**

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 with some recovery of demand for this service, this line item has been programmed at \$1,450,000 above FY 2023 budget levels, in line with FY 2023 estimated actual amounts. The recovery in demand for ride share services remains below pre-pandemic levels.

**Other Revenues: \$1,625,000**

This category is programmed essentially flat to FY 2023 budget levels. This category includes revenues derived from ground handling fees, aircraft remote parking fees, fuel flowage and security badging fingerprint fees.







## II. **FY 2024 OPERATIONS AND MAINTENANCE (O & M) EXPENSES**

The Operations and Maintenance (O & M) Budget totals \$61,136,323, an increase of 10.32% (\$5,720,423) from the FY 2023 approved budget, primarily to address favorable passenger recovery activity changes, “catch up” on items previously deferred and labor rate / other contractual increases associated with various services. All line items, where applicable, have been developed utilizing a zero-based budget approach. See pages two and three for line item detail.

Appropriations for FY 2024 remain focused on prioritizing safety, security, compliance, Part 139 operational requirements, and include Airport staffing levels as follows:

Staffing	FTE Headcount	See Account Narrative
Airport Police Department	35	Accts. #8000 – #8125
Aircraft Rescue and Firefighting	20	Acct. #8604
TBI Airport Management	123	Acct. #8708

Staffing provided through other contracted outside services not included in the above.

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

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

These appropriations, amounting to \$7,843,700, provide for the salaries and benefits associated with the Airport Authority’s police / public safety personnel. The budget was developed in accordance with the terms of the current Memorandum of Understanding (“MOU”), which went into effect February 1, 2023. Therefore, this is the first year of zero-based programmed costs associated with the new terms of the MOU. The MOU expires on June 30, 2026.

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 2023).

The Police Department appropriations cover the existing base of 34 full-time equivalent (FTE) positions with an addition of one FTE mid-fiscal year (January 2024) for the new position of Deputy Police Chief. Also, changes to the Commission approved contract renewal with the Chief of Police are included.

## **II. FY 2024 OPERATIONS AND MAINTENANCE (O & M) EXPENSES – continued**

### **➤ 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, benefits and reimbursement for actual out-of-pocket expenses including related insurance costs and management fee.

Appropriations (\$3,818,000) equal to FY 2023 budget amounts (which is essentially flat to estimated actual FY 2023 expenditures) have been included as a placeholder pending conclusion of negotiations currently underway for a replacement Collective Bargaining Agreement (CBA). The current CBA expires on June 30, 2023. The staffing level is expected to remain at 20 FTE positions, which includes 2 Command Staff personnel. Upon conclusion of negotiations, the Commission will be apprised of any resulting budget impacts.

### **➤ Training Expense: Account #8261**

This line item amounting to \$462,500 reflects a budget over budget increase of \$115,450 which is primarily due to: 1) inclusion of \$60,000 to address the FAA mandated 3-year full scale emergency exercise; and 2) additional appropriations for required ARFF department off-site live fire training.

### **➤ Fuel: Account #8302**

The adopted FY 2024 budget of \$525,000 is based on current year estimated actual amounts, representing an increase of \$125,000 over the FY 2023 budget. This line item is anticipated to remain volatile due to the expectation of continuing fuel price fluctuations.

### **➤ Utilities: Accounts #8336, #8338, #8340**

These accounts cover expenditures associated with gas, electricity and water use. Increases in these accounts factor in anticipated rate changes, primarily from Burbank Water & Power in addition to additional utility use due to positive passenger activity.

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

The \$414,750 additional appropriations over the FY 2023 budget is primarily due to: 1) union wage increases and 2) increased workers' compensation insurance premiums.

This janitorial services contract, currently with Diversified Facility Solutions, will be presented to the Commission in July for approval of the final extension year option. As the final extension year option will expire on September 1, 2024, these services will be placed out for bid during FY 2024.

### **➤ Contractual Building: Account #8610**

The \$107,000 increase over the prior year budget is primarily due to scheduled carpet replacement for high traffic areas (\$77,000) and required roof repairs to certain leased hangars (\$30,000).

## **II. FY 2024 OPERATIONS AND MAINTENANCE (O & M) EXPENSES – continued**

### **➤ Contractual Systems: Account #8612**

The increase is primarily due to the addition of \$300,000 in appropriations to acquire a Computer Aided Dispatch System for the Airport Operations Communications Center to improve management of the increasing call volume, providing enhancements in the ability to effectively dispatch and communicate with first responder personnel.

### **➤ 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.

Appropriations equal to FY 2023 budget amounts (\$5,693,200) which are close to estimated actual expenditures of \$5,675,000 have been included as a placeholder pending conclusion of an RFP process currently underway which is anticipated to be concluded in summer 2023.

The SP+ contract was presented to the Commission in May 2023 for a three-month extension (at current pricing) pending results of the RFP process and award of contract for these services. The RFP is requesting bids for combined parking management and courtesy shuttle operations. Courtesy shuttle operations are currently under a separate contract with MV Transportation (see Acct. #8626).

Upon conclusion of a contract award, the Commission will be apprised of any resulting budget impacts.

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

This line item represents costs associated with the contracted services agreement with MV Transportation to provide turn-key parking shuttle bus services. The current contract agreement will expire on June 30, 2023.

Appropriations of \$3,000,000 which are equal to FY 2023 budget amounts (closely aligned with the estimated actual expenditures of \$2,845,800) have been included as a placeholder pending conclusion of an RFP process underway requesting bids for combined parking management and courtesy shuttle services.

The MV Transportations contract was presented to the Commission in May for a three-month extension pending results of the RFP process.

Upon conclusion of a contract award, the Commission will be apprised of any resulting budget impacts.

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

Appropriations amounting to \$1,200,000, which are flat to the FY 2023 budget amount, are included to address general operational legal matters as well as several ongoing litigation issues. Estimated FY 2023 costs are \$975,000.



## II. **FY 2024 OPERATIONS AND MAINTENANCE (O & M) EXPENSES – continued**

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

This line item represents the estimated FY 2024 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 zero-based estimated FY 2024 costs (\$17,450,000) of this contract include the funding of:

- 3% structural merit allowance adjustment for non-represented employees.
- Collective Bargaining Agreement (CBA) increases for represented employees in accordance with the agreement.
- Inclusion of a retention allowance (flat to FY 2023 level).
- 10% allowance for potential mid-fiscal year increases to medical / dental benefits.
- Additional four (4) positions:
  - Operations Specialist
  - Engineering Specialist
  - Assistant Controller
  - Staff Accountant

Below are components of this \$17,450,000 account:

<b>Components of FY 2024</b>			
<b>Account # 8708 : Professional Management Services (TBI)</b>			
	<b>Salaried</b>	<b>Hourly</b>	<b>Total</b>
Wages	\$ 7,293,177	\$ 4,776,293	\$ 12,069,470
Healthcare	1,112,068	1,073,130	2,185,198
Retirement	424,392	320,023	744,415
Other Fringe	721,640	587,440	1,309,080
Subtotal	\$ 9,551,277	\$ 6,756,886	\$ 16,308,163
Merit Allowance	199,783	22,501	222,284
Maintenance CBA	—	142,040	142,040
Subtotal	\$ 9,751,060	\$ 6,921,427	\$ 16,672,487
Less costs charged to Projects			(230,509)
Retention Allowance			100,000
Management Fee			908,022
Total Account # 8708			<u>\$ 17,450,000</u>
Number of funded positions	60	63	123

## **II. FY 2024 OPERATIONS AND MAINTENANCE (O & M) EXPENSES – continued**

### **➤ Financial Services: Account #8710**

The increase of \$298,000 is primarily due to additional credit card processing fees related to growing demand for self-park / valet services.

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

The \$777,100 increase in this line item is primarily due to:

- Impacts of Commission approved (October 2022) Professional Services Agreement with Allied Universal to provide Airport security and traffic control services.
- The recent TSA mandate requiring enhanced employee screening is anticipated to be implemented September 2023. These services will be provided by Allied Universal at an additional cost.

### **➤ Insurance: Account #8816**

The Authority's insurance policies renew on July 1, 2023; therefore, this line item reflects the anticipated policy premiums (covering airport liability, property, earthquake, auto, and public officials) the Authority's insurance broker has estimated for FY 2024.

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

Reflects continued reinstatement of efforts to foster Hollywood Burbank Airport in conjunction with increased passenger demand and new air service. The FY 2024 adopted budget is \$280,000 above prior year amounts however remains below pre-pandemic appropriation levels (\$950,000).

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

After holding back a majority of vehicle acquisitions during the pandemic, the adopted budget continues the "catch up" process. Included are two (2) hybrid vehicles, five (5) SULEV Level 3 combustion engine medium duty vehicles and a replacement ARFF utility truck. The acquisition of vehicles continues to be a challenge impacted heavily by supply chain issues.

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

Provides for several items such as replacement radios, upgraded badge/access control readers, acquisition of ARFF equipment, and other items to support operations/maintenance functions.

### III. **FY 2024 FACILITY IMPROVEMENT (CAPITAL) BUDGET**

The total adopted FY 2024 Facility Improvement (Capital) Budget of \$168,841,049 consists of the following amounts by category:

Category	Adopted FY 2024 Budget
Building Improvements	\$ 785,000
IT / Communications / Security	1,350,000
Equipment	1,467,000
Runway / Taxiway / Roadway Projects	5,660,000
Noise Mitigation	1,000,000
Subtotal	\$ 10,262,000
Replacement Passenger Terminal Project	\$ 158,579,049
Total Adopted FY 2024 Improvement Budget	\$ 168,841,049

As noted above, the forecasted expenditures of \$158,579,049 for the multi-year RPT project is a significant part of the adopted \$168,841,049 capital program. Capital projects to highlight in FY 2024 are:

- Replacement Passenger Terminal Project (*multi-year*): \$ 158,579,049
- Runway / Taxiway Shoulder Rehabilitation (Construction): \$ 4,510,000
- ARFF Truck Replacement: \$ 1,132,000
- Part 150 Update (*multi-year*): \$ 1,000,000
- Communications Center Equip. (*carryover*): \$ 725,000

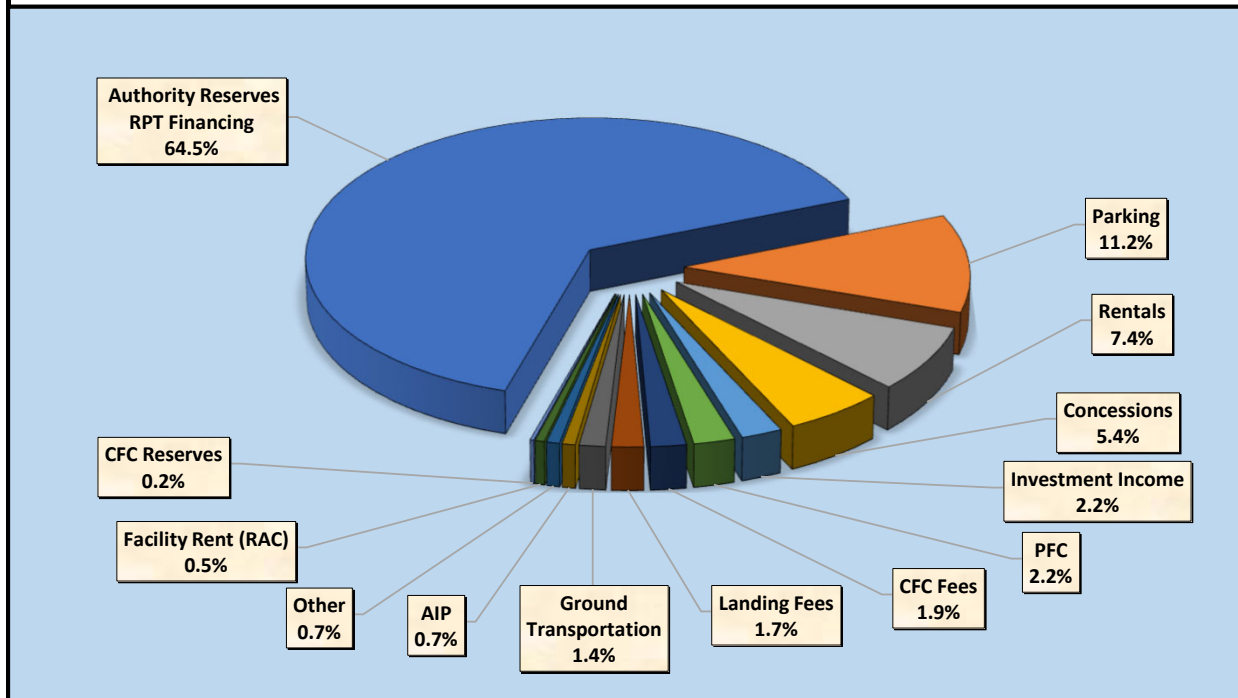
Appropriations for the RPT project include fees for services provided by the Program Manager, the Design-Build Joint Venture team, technical and support consultants, as well as financial consultants to support the Phase 1 portion of the project. Phase 1 is scheduled to achieve a 60% design level and Guaranteed Maximum Price ("GMP") in April 2024.

Additional details regarding the FY 2024 RPT project cost and the total adopted Capital program are included on page four of this document.





**Adopted FY 2024 Budget**  
**Total Sources of Funds: \$244,748,482**



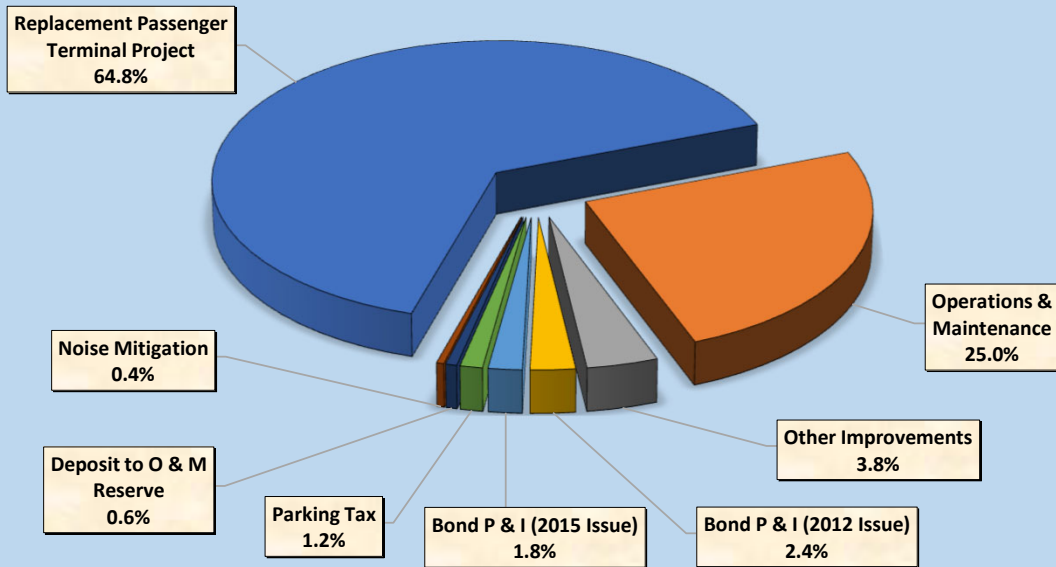
**Sources of Funds: Summary**

Parking	\$	27,450,000	
Rentals		18,200,000	
Concessions		13,285,000	
Investment Income		5,450,000	
Landing Fees		4,250,000	
Ground Transportation		3,490,000	
Other Revenues		1,625,000	
<b>Total Operating Revenues</b>			<b>\$ 73,750,000</b>
PFC Revenues / Reserves - Non-RPT (1)	\$	5,279,264	
CFC Fees: 2012 Bond Issue		4,600,000	
Airport Improvement Program Grants - Non-RPT (1)		1,657,736	
Facility Rent - RAC		1,232,433	
CFC Reserves		400,000	
<b>Total Nonoperating Revenues</b>			<b>\$ 13,169,433</b>
Authority Reserves / RPT Financing (2)			<b>\$ 157,829,049</b>
<b>Total Adopted FY 2024 Sources of Funds:</b>			<b>\$ 244,748,482</b>

**Notes:**

- (1) Represents Passenger Facility Charge (PFC) utilization and Airport Improvement (AIP) grants for projects other than the Replacement Passenger Terminal (RPT).
- (2) Represents estimated FY 2024 RPT Project expenditures subject to modification as the fiscal year progresses. Initial funding of these expenditures projected with PFC approved application for design fees and initial BIL grants with the balance supported with rollover issues of Commercial Paper (CP) program until construction financing is in place and refunds outstanding CP. Construction financing may include TIFIA, GARBS, BIL, AIP, PFC, and Authority Reserves.

**Adopted FY 2024 Budget**  
**Total Uses of Funds: \$244,748,482**



**Uses of Funds: Summary**

Operations & Maintenance	\$	61,136,323	
Bond Principal & Interest (2012 Issue)		5,832,433	
Bond Principal & Interest (2015 Issue)		4,567,500	
Parking Tax		2,941,071	
Sub-Total			\$ 74,477,327
Facility Improvement Program			
Replacement Passenger Terminal Project	\$	158,579,049	
Other Improvements		9,262,000	
Noise Mitigation		1,000,000	
Sub-Total			\$ 168,841,049
Additional O & M Reserve Requirement			\$ 1,430,106
Total Adopted FY 2024 Uses of Funds:	\$		<u><u>244,748,482</u></u>