

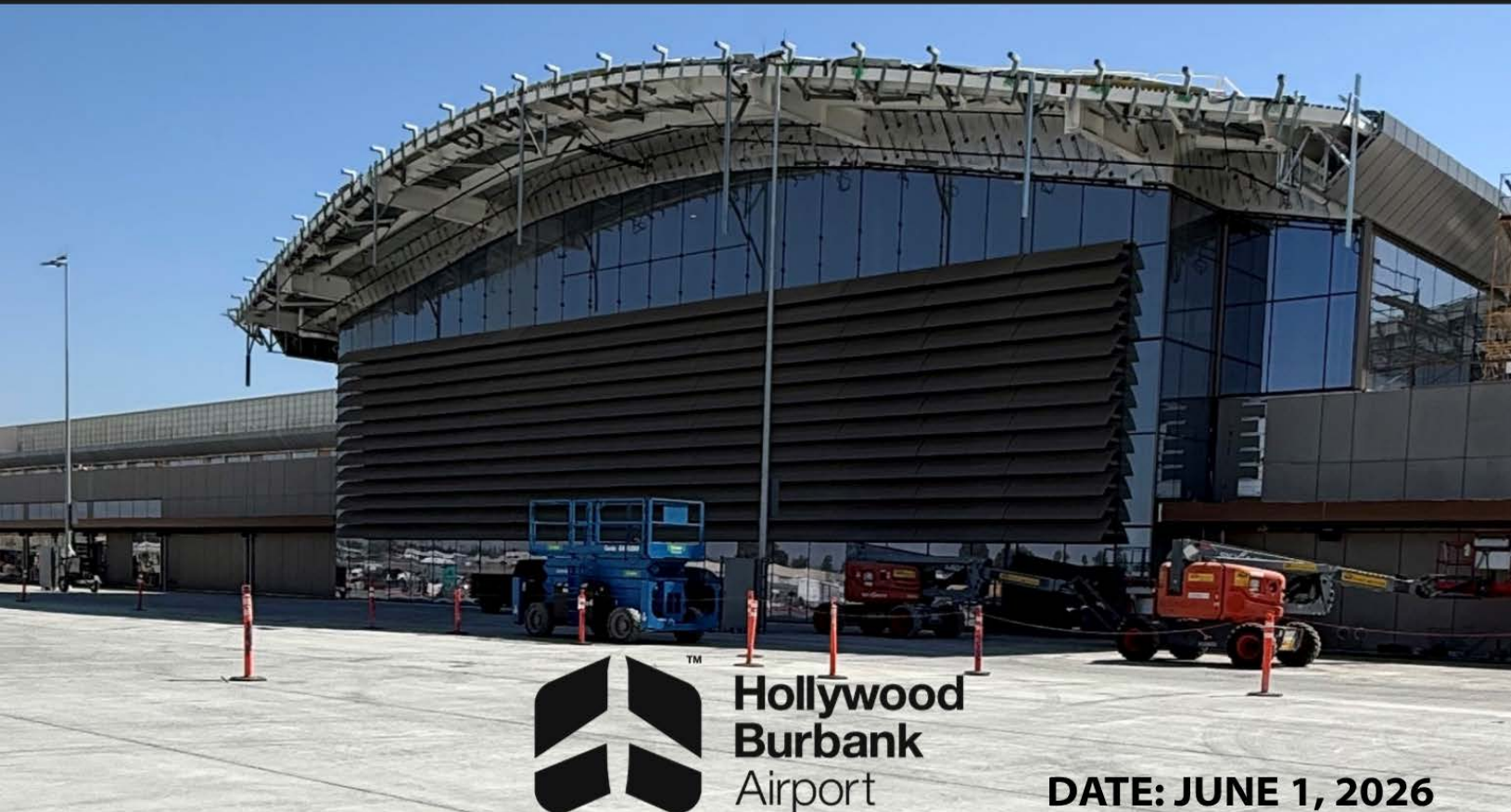
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

ADOPTED FY 2026/2027

BUDGET AND BUDGET OVERVIEW



WORKING TOGETHER



**Hollywood
Burbank
Airport**

DATE: JUNE 1, 2026

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTED FY 2026/2027 ("FY 2027") BUDGET
SUMMARY

SOURCES OF FUNDS: SUMMARY

	Adopted Budget FY 2027	Adopted Budget FY 2026	\$ Change	% Change
Rentals	\$ 34,580,100	\$ 18,800,000	\$ 15,780,100	83.94%
Parking	35,504,000	33,450,000	2,054,000	6.14%
Concessions	15,990,000	14,300,000	1,690,000	11.82%
Landing Fees	11,999,600	4,500,000	7,499,600	166.66%
Investment Income	6,827,000	7,995,000	(1,168,000)	-14.61%
Ground Transportation	5,111,000	3,865,000	1,246,000	32.24%
Other Revenues	2,370,000	1,950,000	420,000	21.54%
Total Operating Revenues	112,381,700	84,860,000	27,521,700	32.43%
1) PFC Revenues / Reserves - Non-RPT	7,412,015	9,699,350	(2,287,335)	-23.58%
1) Airport Improvement Program Grants - Non-RPT	443,245	2,820,650	(2,377,405)	-84.29%
CFC Fees: 2012 Bond Issue	5,600,000	5,300,000	300,000	5.66%
Facility Rent - RAC	1,030,962	1,030,962	-	0.00%
Total Nonoperating Revenues	14,486,222	18,850,962	(4,364,740)	-23.15%
Total Operating & Nonoperating Revenues	126,867,922	103,710,962	23,156,960	22.33%
2a) RPT Plan of Finance	152,280,306	586,392,795	(434,112,489)	-74.03%
3) Authority Reserves	3,000,000	-	3,000,000	N/A
Total	\$ 282,148,228	\$ 690,103,757	\$ (407,955,529)	-59.12%

USES OF FUNDS: SUMMARY

	Adopted Budget FY 2027	Adopted Budget FY 2026	\$ Change	% Change
Bond P & I (2012 Issue)	\$ 5,835,069	\$ 5,832,439	\$ 2,630	0.05%
4) Bond P & I (2024 Issue)	8,805,677	-	8,805,677	N/A
4) Bond P & I (2026 Issue)	4,628,448	-	4,628,448	N/A
5) Commercial Paper Program	10,066,862	-	10,066,862	N/A
Subtotal Debt Service	29,336,056	5,832,439	23,503,617	402.98%
Operations and Maintenance	78,535,300	68,925,650	9,609,650	13.94%
Total Operating Expenses	107,871,356	74,758,089	33,113,267	44.29%
Facility Improvement Program				
Noise Mitigation	550,000	1,000,000	(450,000)	-45.00%
Other Improvements	9,110,260	11,225,000	(2,114,740)	-18.84%
2b) Development	154,614,306	595,956,795	(441,342,489)	-74.06%
Total Facility Improvement Program	164,274,566	608,181,795	(443,907,229)	-72.99%
Parking Tax	3,804,000	3,583,929	220,071	6.14%
Total Operating & Nonoperating Expenses	275,949,922	686,523,813	(410,573,891)	-59.80%
Additional O & M Reserve Requirement	2,402,413	1,130,288	1,272,125	112.55%
3) Executive Director Reserve	3,000,000	-	3,000,000	N/A
6) Surplus Transfer to Reserves	795,893	2,449,656	(1,653,763)	-67.51%
Total	\$ 282,148,228	\$ 690,103,757	\$ (407,955,529)	-59.12%

Notes:

- 1) Represents Passenger Facility Charge (PFC) utilization and Airport Improvement (AIP) grants for projects other than the Replacement Passenger Terminal (RPT).
- 2a) Sources as identified in the RPT Plan of Finance to provide funding as applicable for estimated FY 2027 project expenditures.
- 2b) Includes FY 2027 estimated RPT expenditures, subject to modification as the fiscal year progresses.
- 3) The replacement AUA provides for the establishment of a set-aside fund to be used as deemed necessary by the Authority's Executive Director. The amount of this fund will initially equal \$3.0 million and will be increased by 3 percent each fiscal year.
- 4) The Series 2024 and 2026 bonds were issued in May 2024 and May 2026, respectively, to support the financing of the RPT project. Bond interest will be capitalized through six months after project completion (October 2026), therefore full debt service is anticipated to not commence until the last quarter of FY 2027.
- 5) Remaining Commercial Paper Notes to be defeased during the fiscal year.
- 6) Surplus transfer to reserves is comprised of the Facility Rent Reserve restricted for allowed uses under the terms and conditions of the Non-Exclusive Concession and Lease agreement with the Rent-A-Car Companies.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTED FY 2026/2027 ("FY 2027") BUDGET
OPERATIONS & MAINTENANCE ("O & M") EXPENSES

ACCT #	DESCRIPTION	ADOPTED BUDGET FY 2027	ADOPTED BUDGET FY 2026	\$ AMOUNT CHANGE	% CHANGE
8000	Regular Wages	\$ 4,971,000	\$ 4,452,000	\$ 519,000	11.66%
8012	Overtime Wages	450,000	425,000	25,000	5.88%
8100	Sick Leave	348,000	332,000	16,000	4.82%
8102	Vacation	346,000	325,000	21,000	6.46%
8103	Payroll Taxes	512,000	465,100	46,900	10.08%
8104	Workers' Compensation Insurance	700,000	680,000	20,000	2.94%
8105	Group Insurance	874,000	710,000	164,000	23.10%
8107	Retiree Medical Trust	81,000	52,800	28,200	53.41%
8109	Holiday	385,000	288,500	96,500	33.45%
8110	Employee Retirement Plan	909,000	808,500	100,500	12.43%
8111	Employee Medical Opt Out	51,000	34,200	16,800	49.12%
8115	FSA Admin.	900	900	-	0.00%
8120	Certification Pay	637,000	522,500	114,500	21.91%
8125	Training Pay	27,100	13,300	13,800	103.76%
8200	Office Supplies	125,000	105,000	20,000	19.05%
8202	Periodicals, Maps and Pamphlets	4,500	4,500	-	0.00%
8204	Printing and Binding	69,300	16,500	52,800	320.00%
8206	Special Office / Other Supplies	109,100	127,800	(18,700)	-14.63%
8208	Postage	17,500	17,500	-	0.00%
8210	Office / Noise Equipment Service	153,900	159,600	(5,700)	-3.57%
8212	Copy Machine Lease	55,000	46,100	8,900	19.31%
8252	Recruitment Expense	60,000	60,000	-	0.00%
8254	Membership Dues	152,500	148,000	4,500	3.04%
8256	Uniform Expense	370,000	244,650	125,350	51.24%
8258	Commission Meeting	160,000	175,000	(15,000)	-8.57%
8260	Conference Meeting	127,900	195,000	(67,100)	-34.41%
8261	Training Expense	545,500	459,500	86,000	18.72%
8302	Fuel, Oil and Lubricants	450,000	350,000	100,000	28.57%
8303	Low Value Communications Equipment	3,000	7,100	(4,100)	-57.75%
8304	Low Value Machinery / Equipment	60,000	17,000	43,000	252.94%
8305	Low Value Furniture / Fixtures	35,000	47,500	(12,500)	-26.32%
8306	Vehicle Repair / Maintenance Supplies	57,000	59,300	(2,300)	-3.88%
8308	General Repair / Maintenance	114,000	166,300	(52,300)	-31.45%
8316	Shop Supplies	75,650	67,000	8,650	12.91%
8318	Electrical Supplies	155,750	196,000	(40,250)	-20.54%
8320	Plumbing, Heating and Air Conditioning	155,000	194,000	(39,000)	-20.10%
8322	Building / Construction Supplies	200,250	105,250	95,000	90.26%
8324	Telephone Expense	615,000	585,000	30,000	5.13%
8326	Communications Maintenance	46,200	76,200	(30,000)	-39.37%
8332	Industrial Chemical Supplies	32,000	32,000	-	0.00%

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTED FY 2026/2027 ("FY 2027") BUDGET
OPERATIONS & MAINTENANCE ("O & M") EXPENSES

ACCT #	DESCRIPTION	ADOPTED BUDGET FY 2027	ADOPTED BUDGET FY 2026	\$ AMOUNT CHANGE	% CHANGE
8334	Operating / Maintenance Equipment Lease	\$ 97,500	\$ 75,300	\$ 22,200	29.48%
8335	Other Leases / Rentals	35,500	28,500	7,000	24.56%
8336	Utility – Gas	25,000	105,000	(80,000)	-76.19%
8338	Utility – Electric	2,850,000	2,180,000	670,000	30.73%
8340	Utility – Water	650,000	560,000	90,000	16.07%
8341	Sign Expense	185,100	145,100	40,000	27.57%
8342	Landscaping Expense	450,000	370,000	80,000	21.62%
8344	Paint Expense	157,500	167,500	(10,000)	-5.97%
8604	ARFF Services (1)	4,875,000	4,875,000	-	0.00%
8607	Janitorial Services	4,315,150	2,650,000	1,665,150	62.84%
8608	Refuse Collection	353,700	240,000	113,700	47.38%
8610	Contractual Building	123,000	242,000	(119,000)	-49.17%
8612	Contractual Systems	2,075,000	2,018,000	57,000	2.82%
8620	Contractual Vehicle Maintenance	500,000	470,000	30,000	6.38%
8622	Other Contracted O & M Costs	1,816,300	1,695,200	121,100	7.14%
8625	Contractual Parking Ops. (Self-Park / Valet)	4,787,650	5,655,000	(867,350)	-15.34%
8626	Contractual Transportation Services	3,330,000	2,445,000	885,000	36.20%
8702	Noise Consultants	81,000	101,000	(20,000)	-19.80%
8704	Legal Services	850,000	1,000,000	(150,000)	-15.00%
8706	Audit Services	315,000	310,000	5,000	1.61%
8708	Professional Management Services	22,822,000	20,850,000	1,972,000	9.46%
8709	Engineering Services	325,000	300,000	25,000	8.33%
8710	Financial Services	1,380,000	1,423,000	(43,000)	-3.02%
8711	Other Professional Services	4,991,200	3,649,100	1,342,100	36.78%
8715	Environmental Services	1,172,000	435,000	737,000	169.43%
8816	Insurance	3,570,000	2,035,000	1,535,000	75.43%
8818	Public Relations / Advertising	377,750	138,250	239,500	173.24%
8819	Air Service Retention and Development	1,145,000	1,030,000	115,000	11.17%
8822	Licenses, Permits and Fees	354,900	361,100	(6,200)	-1.72%
8825	Uninsured Loss	10,000	10,000	-	0.00%

TOTAL O & M EXPENDITURES	\$ 78,261,300	\$ 68,335,650	\$ 9,925,650	14.52%
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O & M EQUIPMENT AND PROJECTS

9010	Vehicles / Equipment	\$ -	\$ 375,000	\$ (375,000)	-100.00%
9022	Other Machinery / Equipment	39,000	115,000	(76,000)	-66.09%
9026	Office Equipment / Systems	235,000	100,000	135,000	135.00%

TOTAL O & M EQUIPMENT / PROJECTS	\$ 274,000	\$ 590,000	\$ (316,000)	-53.56%
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TOTAL OPERATIONS AND MAINTENANCE	\$ 78,535,300	\$ 68,925,650	\$ 9,609,650	13.94%
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- (1) The current ARFF Collective Bargaining Agreement expires June 30, 2026. Replacement agreement negotiations are currently in progress. Therefore, pending results, this line item is budgeted flat to the current fiscal year.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTED FY 2026/2027 ("FY 2027") BUDGET
FACILITY IMPROVEMENT (CAPITAL) PROGRAM**

PROJECT DESCRIPTION	COST	FUNDED BY			
		NON-RPT PFC REVENUES	NON-RPT AIP GRANTS	RPT: PLAN OF FINANCE	AIRPORT SHARE
BUILDING IMPROVEMENTS					
1) Minor Building Improvements	\$ 175,000	\$ -	\$ -	\$ -	\$ 175,000
TOTAL BUILDING IMPROVEMENTS	\$ 175,000	\$ -	\$ -	\$ -	\$ 175,000
IT / COMMUNICATIONS / SECURITY					
2) Replacement Telephone Switches	\$ 175,000	\$ -	\$ -	\$ -	\$ 175,000
3) DVSS Camera Replacements	125,000	-	-	-	125,000
4) Non-RPT Access Control Upgrade (multi-year)	150,000	-	-	-	150,000
5) Private Wireless Network Implementation and Configuration	740,000	-	-	-	740,000
TOTAL IT / COMMUNICATIONS / SECURITY	\$ 1,190,000	\$ -	\$ -	\$ -	\$ 1,190,000
EQUIPMENT					
6) Airfield Sweeper - Electric	\$ 900,000	\$ 900,000	\$ -	\$ -	-
TOTAL EQUIPMENT	\$ 900,000	\$ 900,000	\$ -	\$ -	\$ -
RUNWAY / TAXIWAY / ROADWAY PROJECTS					
7) Taxiway A/C Extensions: Design (completion)	\$ 845,260	\$ 845,260	\$ -	\$ -	-
8) Taxiway A/C Extensions: Construction Mobilization (multi-year)	4,500,000	4,500,000	-	-	-
9) Airport Layout Plan Update & Master Plan (multi-year)	1,000,000	1,000,000	-	-	-
10) Pavement Rehabilitation (carryover)	500,000	-	-	-	500,000
TOTAL RUNWAY / TAXIWAY / ROADWAY PROJECTS	\$ 6,845,260	\$ 6,345,260	\$ -	\$ -	\$ 500,000
NOISE MITIGATION					
11) Part 150 Update (completion)	\$ 550,000	\$ 106,755	\$ 443,245	\$ -	-
TOTAL NOISE MITIGATION	\$ 550,000	\$ 106,755	\$ 443,245	\$ -	\$ -
SUBTOTAL	\$ 9,660,260	\$ 7,352,015	\$ 443,245	\$ -	\$ 1,865,000
DEVELOPMENT					
12) Replacement Passenger Terminal Project (multi-year)	\$ 151,649,306	\$ -	\$ -	\$ 149,415,306	\$ 2,234,000
13) SEQ Reconfiguration: Design (completion)	100,000	60,000	-	-	40,000
14) SEQ RPS Reconfiguration: Elevator Construction (completion)	1,700,000	-	-	1,700,000	-
15) SEQ Civil Construction for Day 1 (completion)	1,165,000	-	-	1,165,000	-
TOTAL DEVELOPMENT	\$ 154,614,306	\$ 60,000	\$ -	\$ 152,280,306	\$ 2,274,000
TOTAL FACILITY IMPROVEMENT PROGRAM	\$ 164,274,566	\$ 7,412,015	\$ 443,245	\$ 152,280,306	\$ 4,139,000

Notes:

- 1) Appropriations in the amount of \$175K have been included to address small projects around the Airport
- 2) Replacement telephone switches for non-RPT facilities across the Airport
- 3) Digital Video Surveillance System (DVSS): Installation of new and replacement equipment
- 4) Commencement of access control upgrades to non-RPT areas
- 5) Completion of Airport communication loop around the perimeter
- 6) Initiation of extended lead time for acquisition of electric airfield sweeper
- 7) Completion of design for this project
- 8) Commencement of contractor mobilization for this multi-year construction project
- 9) Required ALP update with completion of RPT project
- 10) Carryover of FY 2026 appropriations to address certain airfield pavement rehabilitation
- 11) Completion of multi-year Noise Study program
- 12) Completion of RPT construction and initiation of multi-year obstruction removal

		<u>Forecasted Expenditures FY 2027</u>
Funded by RPT: Plan of Finance (see note below)		
Program Manager (Jacobs)	\$	7,859,880
Construction Work DB (HPTJV)		98,885,333
Demolition DB (HPTJV)		23,000,000
Substation Aid in Construction (AIC)		19,670,093
		\$ 149,415,306
Funded by Airport Share		
Support Services (Financial, Legal, Other)		1,354,000
Commercial Paper Program Fees		880,000
		2,234,000
Forecasted FY 2027 Project Expenditures		\$ 151,649,306

Note: RPT funding sources include AIP, PFC, IJJA, GARBs, and Authority Reserves.

- 13) SEQ Reconfiguration Design: Completion of design efforts for Phase 1 southeast quadrant remote parking improvements
- 14) SEQ RPS Reconfiguration - Elevator Construction: Repurposing of the valet parking structure for public use
- 15) SEQ Civil Construction: Roadways, bus stops and equipment installation

Budget Overview: Fiscal Year 2026/2027 (“FY 2027”)



INTRODUCTION:

During Fiscal Year 2026/2027 (“FY 2027”) the Burbank-Glendale-Pasadena Airport Authority (“Airport Authority”) will complete its major safety project, the Replacement Passenger Terminal (“RPT”), scheduled to open in October 2026. This important, safety enhancing, terminal relocation project represents a major milestone, a culmination of efforts over many years, achieved through the collaborative efforts of the Airport Authority Commission, the City of Burbank, the Federal Aviation Administration, the Airlines serving the Airport, the Project Management team (Jacobs Project Management), the Construction/Design team (HPTJV, Corgan) and many others. In summary, a long list of agencies, consultants, corporations and individuals “Working Together” to accomplish this significant transformational project.

In addition to enhancing safety, the RPT elevates the passenger experience with modern facilities incorporating the (“Icon”) design concept selected by the Airport Authority Commission, representing a mix of modern style with a nod to the elegant silver screen / film era. In addition, passengers will benefit from improved roadway flow, upgraded amenities, including robust Wi-Fi access with more spacious gate holdrooms, and baggage claim areas. The RPT will offer an improved selection of in-terminal concessions while still maintaining the conveniences that many passengers have come to appreciate such as boarding / disembarking from the front and back of the aircraft.

The first few months of FY 2027 will require significant transitional preparations and phasing from existing terminal operations to the RPT. The Temporary Certificate of Occupancy (“TCO”) is anticipated in July 2026. The FY 2027 Operations and Maintenance (“O&M”) budget includes appropriations to address four distinct operational phases: 1) ongoing existing legacy terminal operations to the RPT opening; 2) preparatory expenditures required leading up to the RPT opening; 3) ongoing operational costs with the RPT commencing mid-October and 4) the decommissioning of the legacy terminal in preparation for demolition. Appropriations are also included as a priority to continue to address Airport-wide safety, security, compliance and operational requirements.

The programmed Phase 2, 2026 General Airport Revenue Bonds (“2026 bonds”) were successfully issued in May 2026, completing the Plan of Finance funding for the RPT. As the RPT is scheduled for opening in October 2026, the adopted FY 2027 budget includes appropriations to complete RPT construction efforts to be funded through sources as identified in the project Plan of Finance, which primarily includes the 2024 and 2026 bonds, federal grant funding, Passenger Facility Charge fees, Commercial Paper, and an Airport Authority contribution. In addition, appropriations are included to begin the demolition of the existing legacy terminal building, programmed for completion in FY 2028.

INTRODUCTION: (continued)

The FY 2027 budget has been developed under uncertainties primarily related to geopolitical issues resulting in instability in financial markets, increased fuel prices (which negatively affect the aviation industry) and the potential for inflation. The unknown future impacts on passenger demand / airline operations create caution as forecasts are generated. Therefore, assumptions utilized for the development of the FY 2027 budget remain conservative, premised on a small activity increase from estimated actual FY 2026 levels.

Despite current uncertainties and challenges, the Airport remains geographically well positioned for long-term success as a strong Origin and Destination (“O&D”) facility serving Southern California’s large population.

BUDGET OVERVIEW:

• Highlights and Noteworthy Items:

- Due to economic uncertainties and unknown impacts to future passenger demand, a conservative approach has been utilized to establish the FY 2027 passenger activity assumption upon which the budget is based. The FY 2027 budget has been premised at a 6,375,000 total passenger level reflecting a 5% increase from current estimated FY 2026 levels. This aligns below FY 2025 actual results and slightly above FY 2024 activity.
- The reduction in passenger level activity during FY 2026 can primarily be attributed to the departure of Avelo Airlines in October 2025 along with the bankruptcy and subsequent cessation of operations by Spirit Airlines. However, the entry of new airlines, Allegiant Airlines and Breeze Airways, in February 2026 is a positive addition to air service. Also, existing air carriers are adding new service and routes which are anticipated to support the FY 2027 5% projected increase in passenger levels. Most recently, in May 2026, Alaska Airlines launched its inaugural flight to new service destination Honolulu, Hawaii. Southwest Airlines has announced it will commence service to Honolulu in August 2026.
- The FY 2027 adopted budget is presented as a balanced budget, which includes utilizing \$3,000,000 in Airport Reserves to fund the initial set-aside Executive Director Reserve which is a component of the new Airport Use Agreement. This new reserve is established as a general purpose account to allow for routine capital and any other expenditure deemed necessary by the Executive Director. In future fiscal years, any use of this fund is required to be replenished through airline rates and charges with a 3% annual increase to the reserve fund.



Celebration of Alaska Airlines Inaugural Flight to Honolulu

BUDGET OVERVIEW – continued

- During the last quarter of FY 2027 the debt service on the 2024 and 2026 bonds will commence. The commencement of debt service, the repayment of the outstanding Commercial Paper and additional O&M costs resulted in increased FY 2027 airline rates and charges (i.e. Airline Terminal Rental Rates and Landing Fees). The blended signatory landing fee rate will increase from \$0.97 to \$2.78 per 1,000 pounds landed weight with the non-signatory landing fee rate programmed to increase from \$1.56 to \$3.75 per 1,000 pounds landed weight. In addition, the blended airline terminal rental rate will increase from \$19.72 per square foot to \$109.82 for signatory carriers and \$148.26 per square foot for non-signatory airline carriers. These rates are projected to increase further in FY 2028 with a full year of debt service payments required on these outstanding bonds.
- Operating revenues reflect the increased airline rates and charges which are incorporated into the Rentals and Landing Fees categories. Activity based operating revenues are premised on the passenger level assumption. There is a proposed TNC rideshare increase in the drop-off and pick-up fee that has been included. Investment income is programmed less than the prior year due to the reduction in the investment portfolio balance from the Airport Authority's contribution to the RPT project. Details and highlights of operating revenue categories are included in this section commencing on page no. 8.
- O&M expenses include appropriations to address the four operational phases previously described, resulting from the October transition to the RPT. The adopted O&M program also includes high priority appropriations which address Airport-wide safety, security, compliance and operational requirements. Expense line items, where applicable, have been developed utilizing a zero-based budget approach. Certain account line items are based on estimated service and operational level requirements associated with the RPT. After the opening of the RPT, a baseline of requirements will be more clearly established and appropriation modifications may be recommended, if necessary. Details and highlights regarding individual accounts are included in this section commencing on page no. 10.
- Recommended staffing additions have been carefully evaluated and are included to address future requirements as well as organizational modifications for future staffing sustainability.
- The FY 2027 budget includes estimated expenditures of \$154,614,306 to complete the multi-year RPT, scheduled for completion in October 2026, and costs associated with the Day One Southeast Quadrant project to repurpose areas for remote parking. The funding for the RPT is from those sources as identified in the project Plan of Finance. Also included are estimated expenditures to commence the demolition of the current legacy terminal. The demolition is scheduled for completion in FY 2028.
- Actual activity and financial performance will be closely monitored as FY 2027 progresses, which may result in recommendations for modifications to the budget program.

FY 2027 BUDGET: OVERVIEW BY CATEGORY

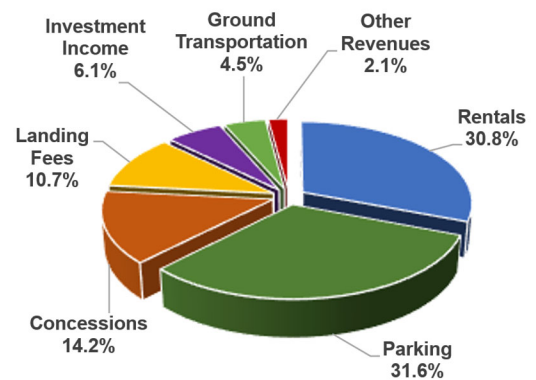
I. FY 2027 OPERATING REVENUES

FY 2027 operating revenues are programmed at \$112,381,700, a 32.43% (\$27,521,700) increase over FY 2026 budget levels. The increase is primarily resulting from adjustments to airline rates and charges due to the commencement of debt service on the 2024 and 2026 bonds in April 2027, the repayment of the outstanding Commercial Paper, and higher O&M costs resulting from the scheduled opening of the RPT in October 2026.

Below is a summary of projected operating revenues:

FY 2027 Operating Revenues: Summary

Rentals	\$ 34,580,100
Parking	35,504,000
Concessions	15,990,000
Landing Fees	11,999,600
Investment Income	6,827,000
Ground Transportation	5,111,000
Other Revenues	2,370,000
Total Operating Revenues	\$112,381,700



Rentals: \$34,580,100

Rental revenues are programmed \$15,780,100 above the prior year budget primarily due to increased airline terminal rental rates associated with the operational costs and added debt service relating to the RPT. This is the rate charged to the air carriers calculated through the residual methodology of the Airport Use Agreement. The balance of this revenue category, which includes zero basing of all other leases (i.e. airfield hangars, etc.), remains relatively stable to the prior fiscal year (FY 2026).

Parking: \$35,504,000

FY 2027 Parking revenues, forecasted at \$35,504,000, are \$2,054,000 greater than the FY 2026 budget. The increase is primarily attributed to a forecasted 5% growth in passenger levels.

Parking revenue is subject to the City of Burbank's 12% Parking Tax requirement, therefore, appropriations in the amount of \$3,804,000 are included in the adopted budget.

A parking rate analysis is currently underway, and recommended rate adjustments with the opening of the RPT will be presented to the Commission for consideration at a future date.

I. FY 2027 OPERATING REVENUES – continued

Concessions: \$15,990,000

This category includes revenues generated from rental car companies, food / beverage, gift / news, advertising and other ancillary concessionaires. The adopted FY 2027 budget is programmed at \$1,690,000 greater than the prior fiscal year budget and approximately \$573,400 above estimated FY 2026 actual results, reflecting a conservative forecast.

Landing Fees: \$11,999,600

The FY 2027 budgeted increase of \$7,499,600 is primarily due to the increase in airline landing fees from \$0.97 to \$2.78 per 1,000 lbs. landed weight for signatory carriers and from \$1.56 to \$3.75 per 1,000 lbs. landed weight for non-signatory carriers due to the commencement of debt service on the 2024 and 2026 bonds in April 2027, the repayment of the outstanding Commercial Paper, and higher O&M costs resulting from the opening of the RPT scheduled in October 2026.

Investment Income: \$6,827,000

Investment income has been forecasted \$1,168,000 below the FY 2026 budget due to a reduction in the investment portfolio resulting from the \$100,000,000 Airport Authority Reserve contribution to the Plan of Finance for the RPT project.

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

Ground Transportation: \$5,111,000

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 which have been programmed to reflect an increase from the current \$4.00 level for each drop-off and pick-up to \$4.50 (effective July 1, 2026) and an additional increase to \$5.00 (effective January 1, 2027).

Other Revenues: \$2,370,000

This category is programmed at \$420,000 above FY 2026 budget levels and includes revenues derived from ground handling fees, aircraft remote parking fees, fuel flowage and security badging fingerprint fees.





II. FY 2027 OPERATIONS AND MAINTENANCE (O&M) EXPENSES

The Operations and Maintenance (“O&M”) budget totals \$78,535,300, an increase of 13.94% (\$9,609,650) from the adopted FY 2026 budget. The adopted FY 2027 O&M budget includes appropriations to address four distinct operational phases resulting from the transition to the Replacement Passenger Terminal (“RPT”) in October as follows:

- Current terminal operations to RPT opening day (July 1 through October 12)
- Preparatory efforts and start up expenditures (July 1 through October 12)
- New operations with the opening of the RPT (October 13 through June 30)
- Current terminal decommissioning costs pending takeover by contractor for demolition (estimated October 13 through December 1)

The adopted O&M program also includes high priority appropriations which address Airport-wide safety, security, compliance, and operational requirements.

All line items, where applicable, have been developed utilizing a zero-based budget approach. Certain account line items are based on estimated service and operational level requirements associated with the RPT. After the opening of the RPT, a baseline of actual operational requirements will be established and appropriation modifications may be recommended, if necessary. See page no. 2 for line-item detail.

FY 2027 staffing levels are included as follows:

Staffing	Current FTE Headcount	Proposed FTE Additions	Proposed Funded FY 2027 FTE Total	Account Numbers	Additional Details
Airport Police	39	-	39	8000 - 8125	Pg. 11
Aircraft Rescue and Firefighting	23	-	23	8604	Pg. 11
TBI Airport Management	137	5	142	8708	Pg. 14
Total	199	5	204		

Additional staffing provided through other contracted services is not included in the above.

II. **FY 2027 OPERATIONS AND MAINTENANCE (O&M) EXPENSES – continued**

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

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

These appropriations, amounting to \$10,292,000, 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 Commission-approved replacement Memorandum of Understanding ("MOU"), which will go into effect July 1, 2026. The new MOU is for a three-year term and will be in place through June 30, 2029.

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 2026).

The FY 2027 Police Department appropriations cover 39 full-time equivalent ("FTE") positions. In FY 2026, four (4) additional FTE officer positions were approved effective mid-fiscal year (January 2026) to address current airport-wide law enforcement and public safety requirements as well as the transition into a larger replacement terminal facility.

The account appropriation increases represent a full year of costs for these four FTE positions.

No additional positions are proposed in FY 2027.

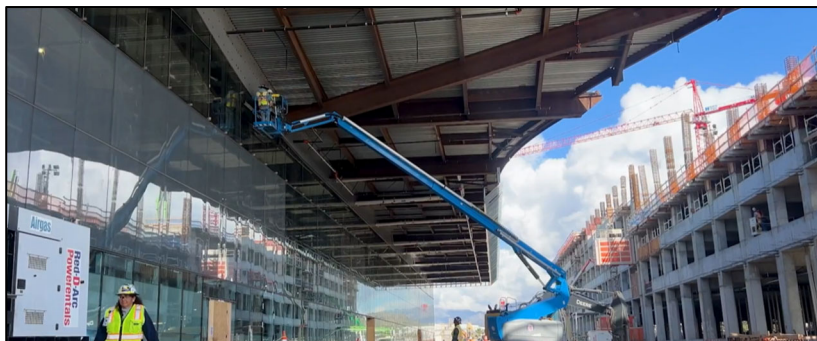
➤ **Aircraft Rescue and Firefighting ("ARFF") Services: Account #8604**

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.

The current ARFF Collective Bargaining Agreement ("CBA") will expire June 30, 2026. Replacement CBA negotiations are currently underway therefore this line item is budgeted flat to FY 2026 pending the results and approval of a new CBA.

The FY 2026 budget included a partial year of appropriations for the addition of three firefighter positions to address tactical changes in ARFF procedures due to the mandatory transition to F3 firefighting foam. With the inclusion of the three additional positions, the total ARFF staffing level is 23 FTE positions, which includes two (2) Command Staff personnel.

No additional positions are proposed in FY 2027.



II. FY 2027 OPERATIONS AND MAINTENANCE (O&M) EXPENSES – continued

➤ Printing and Binding: Account #8204

The increase of \$52,800 is primarily due to the inclusion of appropriations for the publication of the Airport history book and ribbon-cutting commemorative brochure that are currently being developed for fall 2026.

➤ Uniform Expense: Account #8256

The adopted budget of \$370,000 increased \$125,350 over the FY 2026 budget primarily due to the inclusion of appropriations for the required replacement of ARFF PPE gear. Per the National Fire Protection Association (“NFPA”), replacements are required every 10 years.

➤ Fuel: Account #8302

The adopted \$450,000 budget increased by \$100,000 reflecting a rise in fuel prices and anticipated additional usage associated with longer shuttle bus routes between remote parking locations and the RPT facility. Due to the volatility in fuel prices, this account will be closely monitored.

➤ Building / Construction Supplies: Account #8322

The adopted budget of \$200,250 includes additional appropriations to address the acquisition of materials utilized by the Maintenance department to address facility-wide minor pavement repair / rehabilitation projects.

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

These accounts, with a total adopted budget of \$3,525,000, cover estimated expenditures associated with gas, electricity, and water use. The reduction in gas utility use is due to the RPT eliminating all use of gas for the replacement terminal facility.

Increases in electricity and water accounts reflect the forecasted use for the RPT as well as Airport-wide operational requirements. These projections are premised on preliminary anticipated use requirements associated with the RPT and are subject to modification following occupancy and actual use data.

In addition, the electricity and water line items factor in anticipated rate changes from Burbank Water & Power.

➤ Landscaping Expense: Account #8342

The adopted budget of \$450,000 includes increases as per the terms of the proposed 18-month extension contract with Parkwood Landscape Maintenance, Inc., which encompasses estimated additional costs associated with the landscape requirements of the RPT.

II. FY 2027 OPERATIONS AND MAINTENANCE (O&M) EXPENSES – continued

➤ Janitorial Services: Account #8607

The adopted budget of \$4,315,150 includes \$740,150 associated with current legacy terminal operations (July to October), \$200,000 as an allowance to address pre-opening activities and requirements (e.g. special events, etc.), and \$3,375,000 representing a nine-month proration (October through June) of the estimated annual cost upon opening of the RPT. The estimated annual expense for RPT janitorial services and supplies is \$4,500,000. The increase in post-opening RPT janitorial expenses is due to an approximate 30% greater cleanable space than the current facility, high end finishes (terrazzo flooring, shiny surfaces, etc.), that require additional attention to ensure necessary service levels are maintained. The service level requirements and associated costs will continue to be evaluated upon RPT occupancy once a baseline of actual activity is established.

➤ Refuse Collection: Account #8608

The adopted budget of \$353,700 reflects the inclusion of \$240,000 for facility refuse disposal, \$83,700 for 9 months of an 18-month lease for 2 trash compactors and a baler to be included as part of the proposed waste disposal contract extension with American Reclamation, and \$30,000 for e-waste and other disposal needs.

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

This line item, with appropriations of \$4,787,650, represents costs associated with the contracted services agreement with ACE Parking (“ACE”), effective October 2023, for management of the Authority’s self-park and valet parking lot operations. The \$867,350 decrease is primarily due to reduced valet parking operations following the opening of the RPT.

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

This line item, with appropriations of \$3,330,000, represents costs associated with the contracted services agreement with ACE to provide turn-key parking shuttle bus services. In May 2025, four shuttles were transitioned to electric power.

FY 2027 appropriations include an increase of \$885,000 to address estimated additional shuttle operation requirements to service the remote parking lots following the opening of the RPT in October 2026.

Service level requirements will continue to be evaluated during the fiscal year to determine if any modifications are necessary.



II. FY 2027 OPERATIONS AND MAINTENANCE (O&M) EXPENSES – continued

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

This line item represents the estimated FY 2027 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 2027 costs (\$22,822,000) represent a \$1,972,000 increase from the current budget and include:

- 3% structural merit allowance adjustment for non-represented employees (\$292K)
- Collective Bargaining Agreement (“CBA”) increases for non-ARFF represented employees (\$201K)
- A retention allowance (flat to FY 2026 level) (\$100K)
- 10% allowance to accommodate any medical/dental benefit increases (\$150K)
- The promotion / title modification of (1) the current Sr. Manager, Procurement to Director, Procurement and (2) the current Sr. Manager, Maintenance to Director, Maintenance (\$85K)
- Five (5) additional positions: (\$510K)
 - ICT Senior Network Engineer
 - ICT Systems Analyst
 - Manager, Concessions
 - Noise Analyst
 - Plumber

Below are the adopted FY 2027 components of this account:

Components of FY 2027			
Account # 8708 : Professional Management Services (TBI)			
	<u>Salaried</u>	<u>Hourly</u>	<u>Total</u>
Wages	\$ 10,223,394	\$ 5,810,448	\$ 16,033,842
Healthcare	1,585,912	1,297,810	2,883,722
Retirement	558,569	304,221	862,790
Other Fringe	981,273	672,830	1,654,103
Subtotal	<u>\$ 13,349,148</u>	<u>\$ 8,085,309</u>	<u>\$ 21,434,457</u>
Merit Allowance	269,883	21,833	291,716
Maintenance/Operations CBA	—	200,739	200,739
Subtotal	<u>\$ 13,619,031</u>	<u>\$ 8,307,881</u>	<u>\$ 21,926,912</u>
Less costs charged to Projects			(256,060)
Retention Allowance			100,000
Management Fee			1,051,148
Total Account # 8708			<u>\$ 22,822,000</u>
Number of funded positions	77	65	142

II. FY 2027 OPERATIONS AND MAINTENANCE (O&M) EXPENSES – continued

➤ Other Professional Services: Account #8711

The adopted budget for this line item is \$4,991,200. The increase of \$1,342,100 is primarily due to the inclusion of \$1,200,000 to establish and commence virtual ramp control services for the RPT, appropriations for updating of badge training videos, a wage adjustment allowance pertaining to the Allied Universal security services for traffic, Security Identification Display Area (SIDA) control, required Airport Worker Screening and a one-time allowance for supplemental security services to address the pre-opening of the RPT and decommissioning of the legacy terminal.

➤ Environmental Services: Account #8715

The increase of \$737,000 in this line item is primarily due to the Commission-approved agreement in the amount of \$610,000 with Geosyntec Consultants, Inc. to conduct continued PFAS investigation work as required by an order from the California Regional Water Quality Control Board, Los Angeles Region.

➤ Insurance: Account #8816

The Authority's insurance policies renew on July 1, 2026; therefore, this line item reflects the anticipated policy premiums (covering airport liability, property, earthquake, auto, and public officials). Appropriations in the amount of \$3,570,000 have been included representing the Airport Authority's insurance broker's estimated FY 2027 premiums less tenant chargebacks. The projected increase over the prior year (FY 2026) is primarily due to the inclusion of property value and earthquake coverage for the RPT.

➤ Public Relations / Advertising: Account #8818

The \$239,500 increase in this line item addresses costs associated with several RPT events such as the ribbon cutting ceremony, City of Burbank / Measure B Day, as well as pre-opening passenger simulation trials.

➤ Air Service Retention / Development: Account #8819

This \$1,145,000 line item reflects continued efforts to promote Hollywood Burbank Airport in preparation for the future opening of the RPT, as well as major regional events, including the 2027 Super Bowl and 2028 Olympic Games.

➤ Other Machinery / Equipment: Account #9022

Appropriations in the amount of \$39,000 provide for Airport Police Department equipment storage in the RPT and fire safety equipment for the ARFF department.

➤ Office Equipment / Systems: Account #9026

Appropriations in the amount of \$235,000 provide for upgrades to the Noise Monitoring System and IT equipment (computers, servers, etc.).

III. FY 2027 FACILITY IMPROVEMENT (CAPITAL) BUDGET

The total adopted FY 2027 Facility Improvement (“Capital”) Budget of \$164,274,566 consists of the following amounts by category:

Category	Adopted FY 2027 Budget
Building Improvements	\$ 175,000
IT / Communications / Security	1,190,000
Equipment	900,000
Runway / Taxiway / Roadway Projects	6,845,260
Noise Mitigation	550,000
Subtotal	\$ 9,660,260
RPT Project / Other Development	\$ 154,614,306
Total Adopted FY 2027 Improvement Budget	\$ 164,274,566

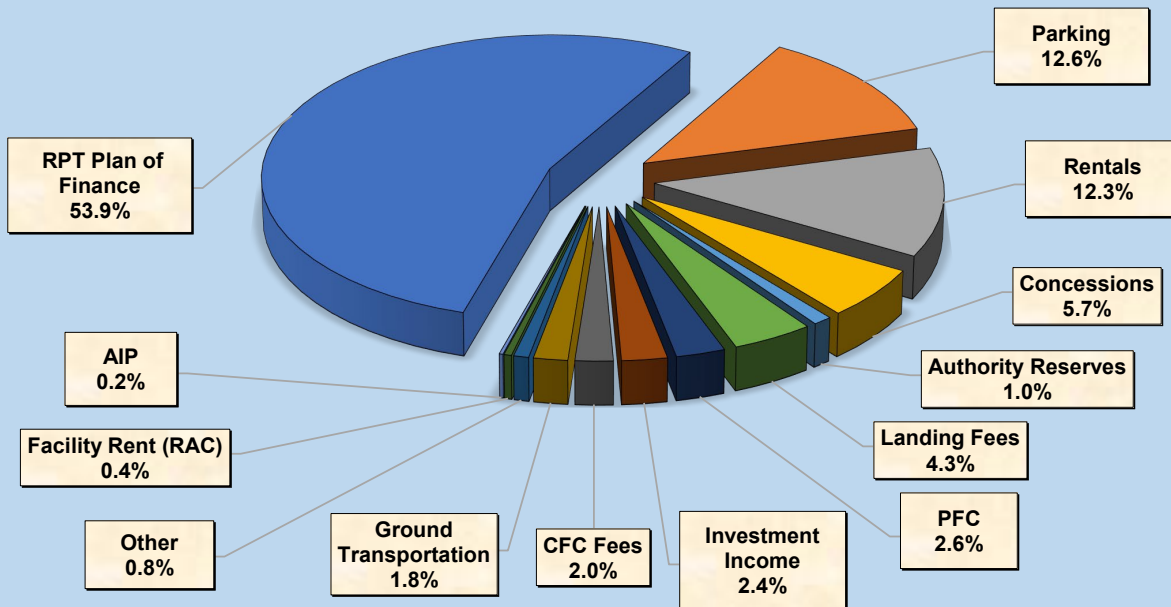
Highlights of the FY 2027 Capital projects include:

- Replacement Passenger Terminal Project (*multi-year*): \$ 151,649,306
- Taxiway A/C Extensions - Mobilization (*multi-year*): \$ 4,500,000
- Southeast Quadrant – Repurposing of Area (*multi-year*): \$ 2,965,000
- Taxiway A/C Extensions – Design (*completion*): \$ 845,260
- Part 150 Update (*completion*): \$ 550,000

FY 2027 appropriations for the multi-year RPT project include estimates for services provided by the Program Manager, the Design-Build Joint Venture team, technical, support and financial consultants. The appropriations cover the terminal building completion, scheduled to open in October 2026 and commencement of the legacy terminal demolition. The legacy terminal demolition is scheduled for completion in FY 2028.



Adopted FY 2027 Budget
Total Sources of Funds: \$282,148,228



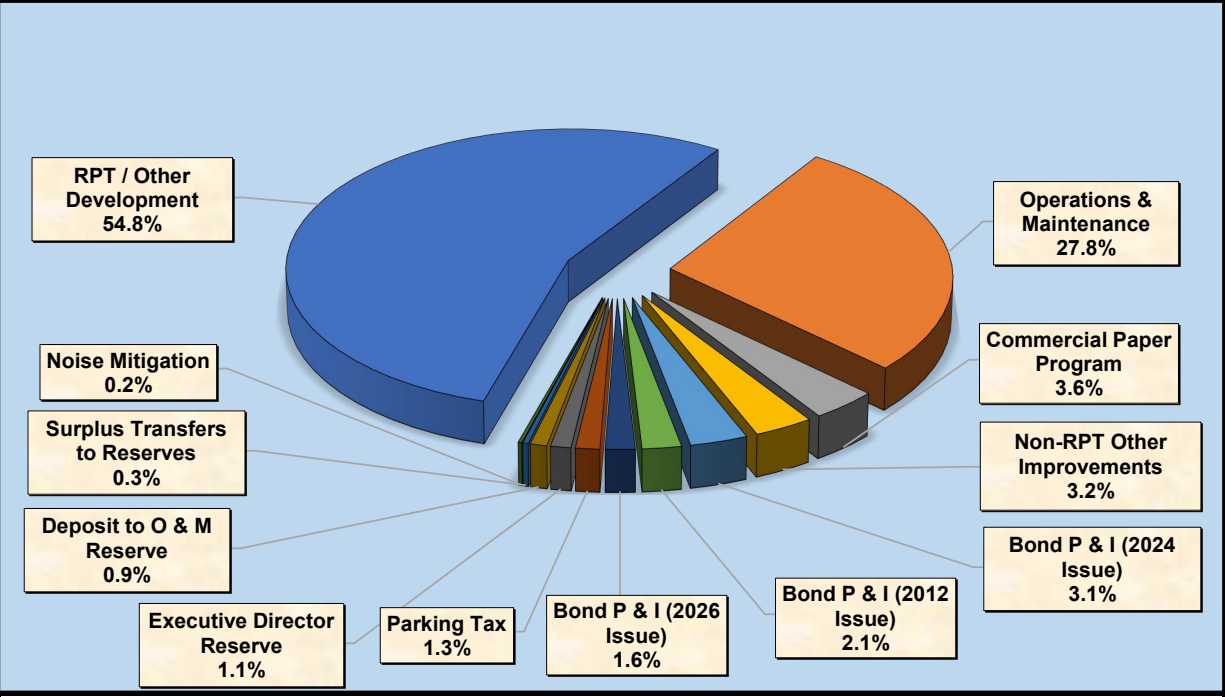
Sources of Funds: Summary

Parking	\$	35,504,000	
Rentals		34,580,100	
Concessions		15,990,000	
Landing Fees		11,999,600	
Investment Income		6,827,000	
Ground Transportation		5,111,000	
Other Revenues		2,370,000	
Total Operating Revenues			\$ 112,381,700
PFC Revenues / Reserves - Non-RPT (1)	\$	7,412,015	
CFC Fees: 2012 Bond Issue		5,600,000	
Airport Improvement Program Grants - Non-RPT (1)		443,245	
Facility Rent - RAC		1,030,962	
Total Nonoperating Revenues			\$ 14,486,222
RPT Plan of Finance (2)			\$ 152,280,306
Authority Reserves (3)			\$ 3,000,000
Total Adopted FY 2027 Sources of Funds:			\$ <u><u>282,148,228</u></u>

Notes:

- (1) Represents Passenger Facility Charge (PFC) utilization and Airport Improvement (AIP) grants for projects other than the Replacement Passenger Terminal (RPT).
- (2) Sources as identified in the RPT Plan of Finance to provide funding as applicable for estimated FY 2027 project expenditures.
- (3) The replacement AUA provides for the establishment of a set-aside fund to be used as deemed necessary by the Authority's Executive Director. The amount of this fund will initially equal \$3.0 million and will be increased by 3 percent each fiscal year.

Adopted FY 2027 Budget
Total Uses of Funds: \$282,148,228



Uses of Funds: Summary

Operations & Maintenance	\$ 78,535,300	
Bond Principal & Interest (2012 Issue)	5,835,069	
Bond Principal & Interest (2024 Issue) (1)	8,805,677	
Bond Principal & Interest (2026 Issue) (1)	4,628,448	
Commercial Paper Program (2)	10,066,862	
Sub-Total		\$ 107,871,356
Facility Improvement Program		
Development (3)	\$ 154,614,306	
Other Improvements	9,110,260	
Noise Mitigation	550,000	
Sub-Total		\$ 164,274,566
Additional O & M Reserve Requirement		\$ 2,402,413
Parking Tax		\$ 3,804,000
Surplus Transfer to Reserves (4)		\$ 795,893
Executive Director Reserve (5)		\$ 3,000,000
Total Adopted FY 2027 Uses of Funds:		\$ <u>282,148,228</u>

Notes:

- (1) The Series 2024 and 2026 bonds were issued in May 2024 and May 2026, respectively, to support the financing of the RPT project. Bond interest will be capitalized through six months after project completion (October 2026), therefore full debt service is anticipated to not commence until the last quarter of FY 2027.
- (2) Remaining Commercial Paper Notes to be defeased during the fiscal year.
- (3) Includes FY 2027 estimated RPT expenditures, subject to modification as the fiscal year progresses.
- (4) Surplus transfer to reserves is comprised of the Facility Rent Reserve restricted for allowed uses under the terms and conditions of the Non-Exclusive Concession and Lease agreement with the Rent-A-Car Companies.
- (5) The replacement AUA provides for the establishment of a set-aside fund to be used as deemed necessary by the Authority's Executive Director. The amount of this fund will initially equal \$3.0 million and will be increased by 3 percent each fiscal year.