

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

**FY 2021/2022**

**BUDGET AND BUDGET OVERVIEW**



**Hollywood  
Burbank  
Airport**

**ADOPTED: JUNE 7, 2021**



**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**ADOPTED FY 2021/2022 ("FY 2022") BUDGET**  
**SUMMARY**

**SOURCES OF FUNDS: SUMMARY**

	Adopted Budget FY 2022	Adopted Budget FY 2021	\$ Change	% Change
Rentals	\$ 16,250,000	\$ 15,290,000	\$ 960,000	6.28%
Parking	10,735,000	7,510,000	3,225,000	42.94%
Concessions	4,500,000	5,845,000	(1,345,000)	-23.01%
Landing Fees	2,550,000	1,658,000	892,000	53.80%
Investment Income	2,300,000	3,250,000	(950,000)	-29.23%
Ground Transportation	1,090,000	1,030,000	60,000	5.83%
Other Revenues	600,000	575,000	25,000	4.35%
<b>Total Operating Revenues</b>	<b>38,025,000</b>	<b>35,158,000</b>	<b>2,867,000</b>	<b>8.15%</b>
PFC Revenues / Reserves	6,766,150	463,953	6,302,197	1358.37%
Airport Improvement Program Grants	924,056	3,360,602	(2,436,546)	-72.50%
CFC Fees: 2012 Bond Issue	2,300,000	2,000,000	300,000	15.00%
Facility Rent - RAC	1,030,962	1,030,962	-	0.00%
<b>Total Nonoperating Revenues</b>	<b>11,021,168</b>	<b>6,855,517</b>	<b>4,165,651</b>	<b>60.76%</b>
<b>Total Operating &amp; Nonoperating Revenues</b>	<b>49,046,168</b>	<b>42,013,517</b>	<b>7,032,651</b>	<b>16.74%</b>
<b>Federal Relief Grant Funds (Note 1)</b>				
Bond P & I (2012 Issue)	2,503,994	2,803,092	(299,098)	-10.67%
Bond P & I (2015 Issue)	4,561,500	4,564,250	(2,750)	-0.06%
Concession Relief	2,500,000	-	-	N/A
Personnel Costs	7,779,373	8,097,213	(317,840)	-3.93%
Facility Improvement (AIP Local Match)	-	635,445	(635,445)	-100.00%
<b>Total Federal Relief Grant Funds</b>	<b>17,344,867</b>	<b>16,100,000</b>	<b>(1,255,133)</b>	<b>-7.80%</b>
Airport Reserves	-	-	-	N/A
<b>Total</b>	<b>\$ 66,391,035</b>	<b>\$ 58,113,517</b>	<b>\$ 8,277,518</b>	<b>14.24%</b>

**USES OF FUNDS: SUMMARY**

	Adopted Budget FY 2022	Adopted Budget FY 2021	\$ Change	% Change
Bond P & I (2012 Issue)	\$ 5,834,956	\$ 5,834,054	\$ 902	0.02%
Bond P & I (2015 Issue)	4,561,500	4,564,250	(2,750)	-0.06%
<b>Subtotal Debt Service</b>	<b>10,396,456</b>	<b>10,398,304</b>	<b>(1,848)</b>	<b>-0.02%</b>
Operations and Maintenance	45,775,550	42,340,563	3,434,987	8.11%
<b>Total Operating Expenses</b>	<b>56,172,006</b>	<b>52,738,867</b>	<b>3,433,139</b>	<b>6.51%</b>
<b>Facility Improvement Program</b>				
Noise Mitigation	125,000	125,000	-	0.00%
Other Improvements	8,668,850	3,485,000	5,183,850	148.75%
Development	275,000	960,000	(685,000)	-71.35%
<b>Total Facility Improvement Program</b>	<b>9,068,850</b>	<b>4,570,000</b>	<b>4,498,850</b>	<b>98.44%</b>
Parking Tax	1,150,179	804,650	345,529	42.94%
<b>Total Operating &amp; Nonoperating Expenses</b>	<b>66,391,035</b>	<b>58,113,517</b>	<b>8,277,518</b>	<b>14.24%</b>
Additional O & M Reserve Requirement	-	-	-	N/A
<b>Total</b>	<b>\$ 66,391,035</b>	<b>\$ 58,113,517</b>	<b>\$ 8,277,518</b>	<b>14.24%</b>

Note 1: FY 2021 federal relief funds were supported by the CARES Act Grant. FY 2022 federal relief grant funds are to be supported by CRRSAA and anticipated ARPA grants. Concession revenues are programmed to be supplemented with \$2.5 million in ARPA grant funds dedicated for concession relief.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
ADOPTED FY 2021/2022 ("FY 2022") BUDGET  
OPERATIONS & MAINTENANCE ("O & M") EXPENSES**

<b>ACCT #</b>	<b>DESCRIPTION</b>	<b>ADOPTED BUDGET FY 2022</b>	<b>ADOPTED BUDGET FY 2021</b>	<b>\$ AMOUNT CHANGE</b>	<b>% CHANGE</b>
8000	Regular Wages	\$ 3,345,000	\$ 3,250,000	\$ 95,000	2.92%
8012	Overtime Wages	350,000	335,000	15,000	4.48%
8100	Sick Leave	271,000	262,500	8,500	3.24%
8102	Vacation	284,000	275,200	8,800	3.20%
8103	Payroll Taxes	368,000	357,000	11,000	3.08%
8104	Workers' Compensation Insurance	632,000	525,000	107,000	20.38%
8105	Group Insurance	493,000	431,100	61,900	14.36%
8107	Retiree Medical Trust	50,400	50,400	-	0.00%
8109	Holiday	235,000	227,600	7,400	3.25%
8110	Employee Retirement Plan	482,000	407,500	74,500	18.28%
8111	Employee Medical Opt Out	34,200	39,600	(5,400)	-13.64%
8115	FSA Admin.	900	900	-	0.00%
8120	Certification Pay	220,000	177,600	42,400	23.87%
8125	Training Pay	12,600	12,600	-	0.00%
8200	Office Supplies	65,000	65,000	-	0.00%
8202	Periodicals, Maps and Pamphlets	3,200	4,250	(1,050)	-24.71%
8204	Printing and Binding	14,900	12,100	2,800	23.14%
8206	Special Office / Other Supplies	90,000	80,000	10,000	12.50%
8208	Postage	14,000	14,000	-	0.00%
8210	Office / Noise Equipment Service	170,250	191,150	(20,900)	-10.93%
8212	Copy Machine Lease	26,600	26,600	-	0.00%
8214	Office Equipment Rent	700	700	-	0.00%
8216	Photographic Expense	1,250	2,500	(1,250)	-50.00%
8252	Recruitment Expense	20,000	20,000	-	0.00%
8254	Membership Dues	161,000	161,000	-	0.00%
8256	Uniform Expense	130,000	120,000	10,000	8.33%
8258	Commission Meeting	175,000	175,000	-	0.00%
8260	Conference Meeting	65,000	35,000	30,000	85.71%
8261	Training Expense	290,000	280,000	10,000	3.57%
8302	Fuel, Oil and Lubricants	150,000	150,000	-	0.00%
8303	Low Value Communications Equipment	3,400	2,350	1,050	44.68%
8304	Low Value Machinery / Equipment	11,500	10,000	1,500	15.00%
8305	Low Value Furniture / Fixtures	10,000	21,000	(11,000)	-52.38%
8306	Vehicle Repair / Maintenance Supplies	60,000	60,000	-	0.00%
8308	General Repair / Maintenance	150,000	150,000	-	0.00%
8316	Shop Supplies	60,000	60,000	-	0.00%
8318	Electrical Supplies	150,000	150,000	-	0.00%
8320	Plumbing, Heating and Air Conditioning	129,500	100,000	29,500	29.50%
8322	Building / Construction Supplies	75,000	75,000	-	0.00%
8324	Telephone Expense	320,000	360,000	(40,000)	-11.11%
8326	Communications Maintenance	53,200	48,700	4,500	9.24%
8332	Industrial Chemical Supplies	14,500	14,500	-	0.00%

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**ADOPTED FY 2021/2022 ("FY 2022") BUDGET**  
**OPERATIONS & MAINTENANCE ("O & M") EXPENSES**

<b>ACCT #</b>	<b>DESCRIPTION</b>	<b>ADOPTED BUDGET FY 2022</b>	<b>ADOPTED BUDGET FY 2021</b>	<b>\$ AMOUNT CHANGE</b>	<b>% CHANGE</b>
8334	Operating / Maintenance Equipment Lease	\$ 56,000	\$ 56,000	\$ -	0.00%
8336	Utility – Gas	40,000	40,000	-	0.00%
8338	Utility – Electric	1,540,000	1,486,538	53,462	3.60%
8340	Utility – Water	400,000	400,000	-	0.00%
8341	Sign Repair and Maintenance	110,000	110,000	-	0.00%
8342	Landscaping Expense	205,500	205,500	-	0.00%
8344	Paint Expense	167,500	110,000	57,500	52.27%
8604	ARFF Services	3,640,000	3,532,000	108,000	3.06%
8606	Tenant Janitorial Services	774,700	677,000	97,700	14.43%
8607	Janitorial Services	1,070,500	959,000	111,500	11.63%
8608	Refuse Collection	185,000	185,000	-	0.00%
8610	Contractual Building	190,000	110,000	80,000	72.73%
8612	Contractual Systems	1,548,800	1,042,675	506,125	48.54%
8620	Contractual Vehicle Maintenance	385,400	385,400	-	0.00%
8622	Other Contracted O & M Costs	949,900	949,900	-	0.00%
8625	Contractual Parking Ops. (Self-Park / Valet)	4,020,000	2,598,750	1,421,250	54.69%
8626	Contractual Transportation Services	65,000	650,000	(585,000)	-90.00%
8702	Noise Consultants	87,000	87,000	-	0.00%
8704	Legal Services	650,000	650,000	-	0.00%
8706	Audit Services	140,000	140,000	-	0.00%
8708	Professional Management Services	15,050,000	14,712,000	338,000	2.30%
8709	Engineering Services	85,000	85,000	-	0.00%
8710	Financial Services	555,000	555,000	-	0.00%
8711	Other Professional Services	1,450,000	1,425,300	24,700	1.73%
8715	Environmental Services	100,000	300,000	(200,000)	-66.67%
8804	Bad Debt Expense	4,000	4,000	-	0.00%
8816	Insurance	1,732,600	1,556,000	176,600	11.35%
8818	Public Relations / Advertising	73,500	73,500	-	0.00%
8819	Air Service Retention and Development	435,000	80,000	355,000	443.75%
8822	Licenses, Permits and Fees	284,550	272,650	11,900	4.36%
8825	Uninsured Loss	10,000	10,000	-	0.00%

<b>TOTAL O &amp; M EXPENDITURES</b>	<b>\$ 45,197,050</b>	<b>\$ 42,189,063</b>	<b>\$ 3,007,987</b>	<b>7.13%</b>
-------------------------------------	----------------------	----------------------	---------------------	--------------

**O & M EQUIPMENT AND PROJECTS**

9010	Vehicles / Equipment	\$ 315,000	\$ -	\$ 315,000	N/A
9022	Other Machinery / Equipment	170,000	26,500	143,500	541.51%
9026	Office Equipment / Systems	93,500	125,000	(31,500)	-25.20%

<b>TOTAL O &amp; M EQUIPMENT / PROJECTS</b>	<b>\$ 578,500</b>	<b>\$ 151,500</b>	<b>\$ 427,000</b>	<b>281.85%</b>
---	-------------------	-------------------	-------------------	----------------

<b>TOTAL OPERATIONS AND MAINTENANCE</b>	<b>\$ 45,775,550</b>	<b>\$ 42,340,563</b>	<b>\$ 3,434,987</b>	<b>8.11%</b>
---	----------------------	----------------------	---------------------	--------------

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
ADOPTED FY 2021/2022 ("FY 2022") BUDGET  
FACILITY IMPROVEMENT (CAPITAL) PROGRAM**

PROJECT DESCRIPTION		Cost	Funded By PFC	Funded By Federal Grants	Airport Share
<b>BUILDING IMPROVEMENTS</b>					
1)	Minor Building Improvements	\$ 100,000	\$ -	\$ -	\$ 100,000
<b>TOTAL BUILDING IMPROVEMENTS</b>		<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,000</b>
<b>IT / COMMUNICATIONS / SECURITY</b>					
2)	IT Network Infrastructure Equipment Replacement	\$ 300,000	\$ -	\$ -	\$ 300,000
3)	DVSS Installation and Equipment Replacement	175,000	-	-	175,000
<b>TOTAL IT / COMMUNICATIONS / SECURITY</b>		<b>\$ 475,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 475,000</b>
<b>EQUIPMENT</b>					
4)	ARFF Truck Replacement	\$ 808,500	\$ -	\$ 753,206	\$ 55,294
5)	Airfield Maintenance Equipment	265,000	265,000	-	-
<b>TOTAL EQUIPMENT</b>		<b>\$ 1,073,500</b>	<b>\$ 265,000</b>	<b>\$ 753,206</b>	<b>\$ 55,294</b>
<b>RUNWAY / TAXIWAY / ROADWAY PROJECTS</b>					
6)	Airfield Lighting Vault Replacement - Construction	\$ 4,840,000	\$ 4,840,000	\$ -	\$ -
7)	Taxilane A Rehabilitation - Construction	1,320,000	1,320,000	-	-
8)	Runway 8 PAPI Relocation	300,000	300,000	-	-
9)	Parking Lot D Access Improvements	250,000	-	-	250,000
10)	Airside Pavement Rehabilitation - Design	223,350	-	-	223,350
11)	Hollyona Property Modification - RPZ Land	87,000	16,887	70,113	-
<b>TOTAL RUNWAY / TAXIWAY / ROADWAY PROJECTS</b>		<b>\$ 7,020,350</b>	<b>\$ 6,476,887</b>	<b>\$ 70,113</b>	<b>\$ 473,350</b>
<b>NOISE MITIGATION</b>					
12)	Residential Acoustical Treatment Program ( <i>multi-year</i> )	\$ 125,000	\$ 24,263	\$ 100,737	\$ -
<b>TOTAL NOISE MITIGATION</b>		<b>\$ 125,000</b>	<b>\$ 24,263</b>	<b>\$ 100,737</b>	<b>\$ -</b>
<b>DEVELOPMENT</b>					
13)	Replacement Passenger Terminal Project ( <i>multi-year</i> )	\$ 275,000	\$ -	\$ -	\$ 275,000
<b>TOTAL DEVELOPMENT</b>		<b>\$ 275,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 275,000</b>
<b>TOTAL FACILITY IMPROVEMENT PROGRAM</b>		<b>\$ 9,068,850</b>	<b>\$ 6,766,150</b>	<b>\$ 924,056</b>	<b>\$ 1,378,644</b>

**Notes:**

- 1) Airport funded appropriations in the amount of \$100,000 have been included to address small projects.
- 2) IT network infrastructure equipment: core switch (\$200,000) & blade server (\$100,000) replacements.
- 3) Digital Video Surveillance System (DVSS): installation of new cameras (\$125,000) & replacement cameras (\$50,000).
- 4) ARFF truck replacement programmed with funding from an already awarded AIP/CARES Grant in the amount of \$753,206 with the balance of \$55,294 for ancillary equipment to be Airport funded. The Commission approved this acquisition during FY 2021 but due to long lead time for delivery it has been reprogrammed into the FY 2022 budget.
- 5) Airfield maintenance equipment (runway sweeper and ramp scrubber) to be funded through an already approved Passenger Facility Charge (PFC) application.
- 6) Design for Airfield Lighting Vault replacement completed during FY 2021. Construction programmed into FY 2022 budget to be funded with a PFC application that is currently underway.
- 7) Design for Taxilane A rehabilitation completed during FY 2021. Construction included into the FY 2022 budget programmed to be funded with a PFC application that is currently underway.
- 8) Provides appropriations for the relocation of the Runway 8 Precision Approach Path Indicator (PAPI) per airline request. The PAPI is runway approach navigation equipment. Programmed to be funded through a PFC application that is currently underway.
- 9) This project is for the development of improved access to/from Parking Lot D as well as the installation of automated revenue control equipment.
- 10) The appropriations for this airside paving project represent design costs to initially be Airport funded in FY 2022 but expected to be reimbursed through AIP/PFC funds in FY 2023 after funding is awarded. Construction anticipated to be programmed into the FY 2023 budget and scheduled to commence once funding is awarded.
- 11) The Hollyona RPZ property was acquired during FY 2020. The FY 2022 appropriations represent required property modifications to comply with making the property fallow. Costs to be reimbursed through AIP/PFC funds anticipated to be awarded in FY 2022.
- 12) Appropriations included to commence RATP project for remaining eligible units subject to the award of AIP Grant funding. This project will not commence until grant funding is awarded and in place.
- 13) Appropriations in the amount of \$275,000 have been included to allow for continued consulting support services associated with the evaluation/financial feasibility of the restart of the Replacement Passenger Terminal (RPT) project that was placed on hold in March 2020 due to the COVID-19 pandemic.

## **Budget Overview: Fiscal Year 2021/2022 (“FY 2022”)**



### **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. Prior to the COVID-19 pandemic, the Airport had been operating with the momentum of multi-year passenger growth, the addition by the airlines of new flight frequencies and destinations, favorable national economic conditions and strong financial performance.

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 awarded to support the loss of activity based operating revenues.

For the first ten months of FY 2021 (July 2020 through April 2021), the Airport experienced a 77.51% decline in passenger activity versus pre-COVID levels.

Commencing in March 2021, activity levels began to increase. It is unknown if this increase will translate into a continuous upward recovery. The leisure travel market is leading the recovery. Business travel is not expected to have any meaningful return until at least the end of calendar year 2022.

Although there continues to exist much uncertainty regarding recovery timelines, there are several recent positive factors that are expected to favorably impact future Hollywood Burbank Airport activity levels as follows:

- New air carrier service (Avelo and Frontier).
- Air service to new destinations.
- Response from other air carriers regarding increased competition.
- Return of service by JetBlue Airways.
- State government plans to fully reopen California in mid-June.
- Overall COVID-19 restrictions anticipated to ease.
- Leisure activities, theme parks reopening with some capacity.
- Increased distribution / availability of COVID-19 vaccines.
- Passenger confidence in air travel beginning to return.

Based on the above factors, activity levels are anticipated to continue to improve. However, there continues to exist much uncertainty. Passenger activity projections utilized for the development of FY 2022 budget remain conservative.

## **INTRODUCTION: - continued**

The FY 2022 budget has been developed utilizing a phased or separate set of activity assumptions for each quarter (as was initiated with the FY 2021 budget). As the fiscal year progresses, actual performance results will be compared to these individual quarterly projections. This approach provides the ability to more clearly identify variances from projected recovery scenarios and through close monitoring, provide the opportunity to make recommendations for modifications to the financial program.

The FY 2022 budget incorporates the use of federal relief grant funds to assist in ensuring all debt service requirements are fully funded with additional federal relief grant funds programmed to be utilized towards personnel costs and concession relief.

Primarily due to continued careful programming of expenses and the utilization of federal relief grant funds, Airport Authority reserve funds are not required to balance the adopted budget. In addition, the budget maintains a stable level of rates and charges to the airlines for the fiscal year. However, as the fiscal year progresses, these assumptions may require re-evaluation.

## **BUDGET OVERVIEW:**

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

- The adopted FY 2022 program assumes application of \$17,344,867 in federal relief grant funds to balance the budget.
- No use of Airport Authority reserve funds is required.
- The FY 2022 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. As stated in the introduction, airline rates and charges may be re-evaluated as the fiscal year progresses.
- The adopted budget is based upon the following quarterly activity assumptions as compared to pre-COVID activity levels:
  - July – September: a reduction of 65% (represents recovery to 35%)
  - October – December: a reduction of 55% (represents recovery to 45%)
  - January – March: a reduction of 50% (represents recovery to 50%)
  - April – June: a reduction of 45% (represents recovery to 55%)

The above quarterly activity assumptions represent an annual average decrease of 54% (represents recovery to 46%).

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

- The adopted O & M expenses are programmed to increase over FY 2021 levels to address activity changes, but remain below pre-COVID levels. The FY 2022 programmed O & M expenses continue to focus on safety, security and Part 139 operations.



## **BUDGET OVERVIEW: - continued**

- The FY 2022 Capital program is reduced to essential projects.
- Discretionary projects will be reviewed as the fiscal year progresses.
- This adopted budget continues to be designed to be a flexible framework to address actual recovery performance throughout the year. If actual recovery performance is greater than planned, additional program elements may be evaluated and presented for consideration into the FY 2022 budget program.

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

### **I. FY 2022 OPERATING REVENUES**

FY 2022 operating revenues are programmed to total \$38,025,000, an 8.15% (\$2,867,000) increase over the FY 2021 budget levels. The FY 2022 projected operating revenues remain 36.89% (\$22,225,000) below the FY 2020 (pre-COVID) budget.

The major assumptions for the development of these revenues are based on a phased or separate set of passenger activity forecasts from pre-COVID levels for each quarter as follows:

July – September:	a reduction of 65%
October – December:	a reduction of 55%
January – March:	a reduction of 50%
April – June:	a reduction of 45%

The above quarterly activity assumptions represent an annual average decrease of 54% from previous activity levels.

Below is a summary and highlights of projected operating revenues:

### **FY 2022 Operating Revenues: Summary**

<b>Rentals</b>	<b>\$ 16,250,000</b>
<b>Parking</b>	<b>10,735,000</b>
<b>Concessions</b>	<b>4,500,000</b>
<b>Landing Fees</b>	<b>2,550,000</b>
<b>Investment Income</b>	<b>2,300,000</b>
<b>Ground Transportation</b>	<b>1,090,000</b>
<b>Other Revenues</b>	<b>600,000</b>
<b>Total Operating Revenues</b>	<b>\$ 38,025,000</b>



**I. FY 2022 OPERATING REVENUES – continued**

**Rentals: \$16,250,000**

Rental revenues have been programmed at a \$960,000 increase over the prior year budget primarily due to additional leases that were approved during FY 2021 and CPI increases. Additionally, rental revenues excluded from the prior year budget (FY 2021) from certain tenants whose continued occupancy was uncertain are now included in the FY 2022 budget.

At this time only one hangar is completely vacant and active negotiations for a potential tenant is underway. No rental revenues are included in this budget for this vacant hangar.

**Parking: \$10,735,000**

Revenues have been forecasted at \$10,735,000 which are 42.94% (\$3,225,000) more than the FY 2021 budget. The FY 2022 projection is based on utilizing the phased quarterly set of recovery assumptions as outlined on the previous page for activity based revenue line items.

Continuing from last year, remote parking lots remain closed including the associated shuttle operations.

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

In addition, this line item has been supplemented (\$410,000) from revenues generated by a new short-term parking space (Lot A) reservation agreement.

The total forecasted amount of \$10,735,000 is subject to the City of Burbank's 12% Parking Tax requirement. An amount of \$1,150,179 has been budgeted to be remitted to the City during FY 2022.

**Concessions: \$4,500,000**

This category includes revenues from rental car companies, food / beverage, gift / news, advertising and other ancillary concessionaires. The FY 2022 budget is programmed at 23.01% less than the prior fiscal year as this line item is supported (an additional \$2,500,000) through an allocation of federal relief grants anticipated to be received.



I. **FY 2022 OPERATING REVENUES – continued**

**Landing Fees: \$2,550,000**

The budget increase of 53.80% (\$892,000) reflects the anticipated flight activity by the airlines based on near term schedules.

**Investment Income: \$2,300,000**

Investment income has been forecasted at 29.23% (\$950,000) less than FY 2021 budget levels primarily due to a reduction in available yields on reinvestment of portfolio funds. All reinvestments must follow the Authority's Investment Policy guidelines, which are based on capital preservation and conservative investments.

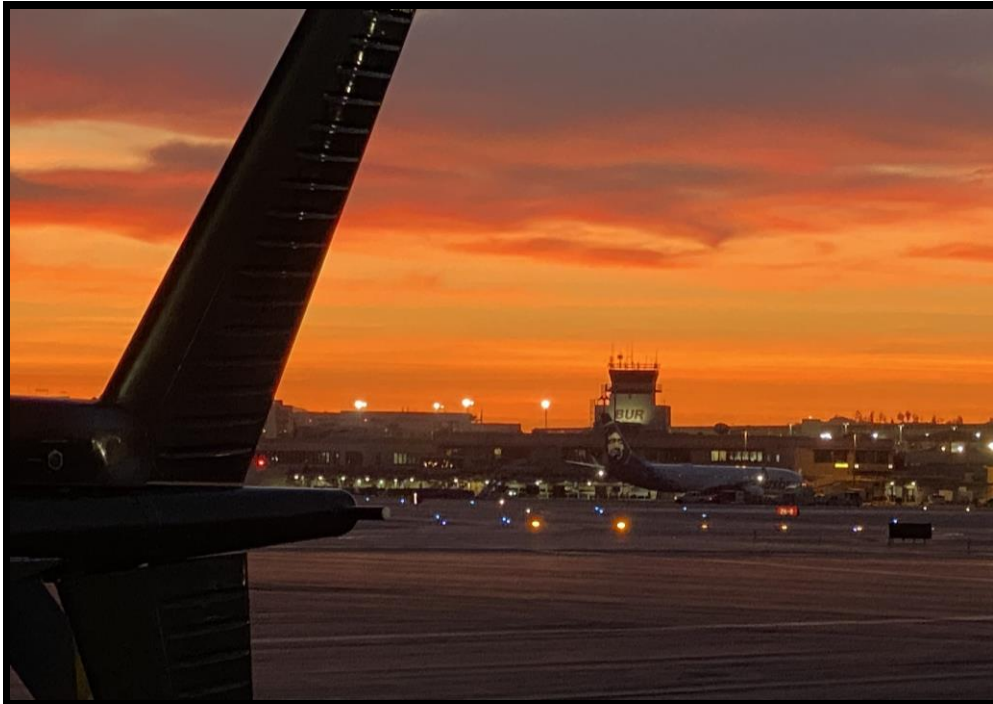
**Ground Transportation: \$1,090,000**

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, shuttle 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 reduction in passenger activity and anticipated continued reduced demand for these services, this line item has been programmed at 5.83% (\$60,000) above FY 2021 budget levels.

**Other Revenues: \$600,000**

This category is programmed at 4.35% (\$25,000) more than FY 2021 budget levels as the fuel uplift fees are expected to increase slightly.





## II. **FY 2022 OPERATIONS AND MAINTENANCE (O & M) EXPENSES**

The Operations and Maintenance (O & M) Budget totals \$45,775,550, an increase of 8.11% (\$3,434,987) from the FY 2021 approved budget, to address activity changes but remains below pre-COVID levels by 6.44% (\$3,149,075).

Appropriations included for FY 2022 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 \$6,778,100, 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 Workers' Compensation insurance (Account #8104) is based on the renewal premium estimate received from the Authority's insurance broker (policy renewal date is August 2021).

The Police Department appropriations cover 34 full-time equivalent positions. No personnel additions were 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 (\$3,640,000) 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.

**II. FY 2022 OPERATIONS AND MAINTENANCE (O & M) EXPENSES – continued**

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

The increase in janitorial expenses reflects the continued enhanced level of cleaning, disinfecting and sanitizing requirements.

➤ **Contracted Systems: Account #8612**

The increase includes the acquisition of two major software programs (Gate Management and Safety Management System) to support Airport operations.

➤ **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 parking operations for the Authority’s self-park and valet parking lots.

This line item reflects an increase in parking operator services subject to continuing evaluation based upon future passenger activity levels.

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

With the continued closure of remote parking lots, this line item primarily represents an allowance for on-call shuttle services.

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

This line item represents the estimated FY 2022 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 2022 costs associated with this contract include the funding of reinstated positions and the recently approved Safety Management System Specialist. No merit increases or retention allowance are included.

Below are components of this \$15,050,000 account:

<b>Components of FY 2022</b>			
<b>Account #8708: Professional Management Services (TBI)</b>			
	<b>Salaried</b>	<b>Hourly</b>	<b>Total</b>
<b>Wages</b>	\$ 6,302,617	\$ 4,340,101	\$ 10,642,718
<b>Healthcare</b>	856,010	819,443	1,675,453
<b>Retirement</b>	357,894	318,551	676,445
<b>Other Fringe</b>	717,583	529,956	1,247,539
<b>Subtotal</b>	<b>\$ 8,234,104</b>	<b>\$ 6,008,051</b>	<b>\$ 14,242,155</b>
<b>Merit Allowance</b>	-	-	-
<b>Maint. / Ops. CBA</b>	-	-	-
<b>Subtotal</b>	<b>\$ 8,234,104</b>	<b>\$ 6,008,051</b>	<b>\$ 14,242,155</b>
<b>Less labor charged to capital projects</b>			(83,744)
<b>Supplemental Allowance</b>			-
<b>Management Fee</b>			891,589
<b>Total Account #8708</b>			<b>\$ 15,050,000</b>
<b># of funded positions</b>	55	60	115



II. **FY 2022 OPERATIONS AND MAINTENANCE (O & M) EXPENSES – continued**

➤ **Environmental Services: Account #8715**

The decrease in this line reflects the completion of last year's per- and polyfluoroalkyl substances ("PFAS") investigation required by the Los Angeles Regional Water Quality Control Board.

➤ **Insurance: Account #8816**

The Authority's insurance policies renew on July 1, 2021; therefore, this line item reflects the anticipated policy premiums the Authority's insurance broker has estimated for FY 2022.

➤ **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.

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

Five replacement vehicles, previously deferred, have been included. These vehicles support public safety, operations and maintenance.

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

Provides for the replacement of interoperability radios that have reached end-of-life.



**III. FY 2022 FACILITY IMPROVEMENT (CAPITAL) BUDGET**

The total adopted FY 2022 Facility Improvement (Capital) Budget of \$9,068,850 continues to be limited to essential projects.

Category	Adopted FY 2022 Budget
Building Improvements	\$ 100,000
IT / Communications / Security	475,000
Equipment	1,073,500
Runway / Taxiway / Roadway	7,020,350
Noise Mitigation	125,000
Development	<u>275,000</u>
<b>Total Adopted FY 2022 Improvement Budget</b>	<b><u>\$ 9,068,850</u></b>

Eight projects make up 92.17% of the total adopted \$9,068,850 capital program. These are:

- Airfield Lighting Vault Replacement – (*Construction*): \$ 4,840,000
- Taxiway A Rehabilitation – (*Construction*): \$ 1,320,000
- ARFF Truck Replacement: \$ 808,500
- Runway 8 PAPI Relocation: \$ 300,000
- IT Network Infrastructure Equipment Replacement: \$ 300,000
- Replacement Passenger Terminal Project (*multi-year*): \$ 275,000
- Airfield Maintenance Equipment: \$ 265,000
- Parking Lot D Access Improvements: \$ 250,000

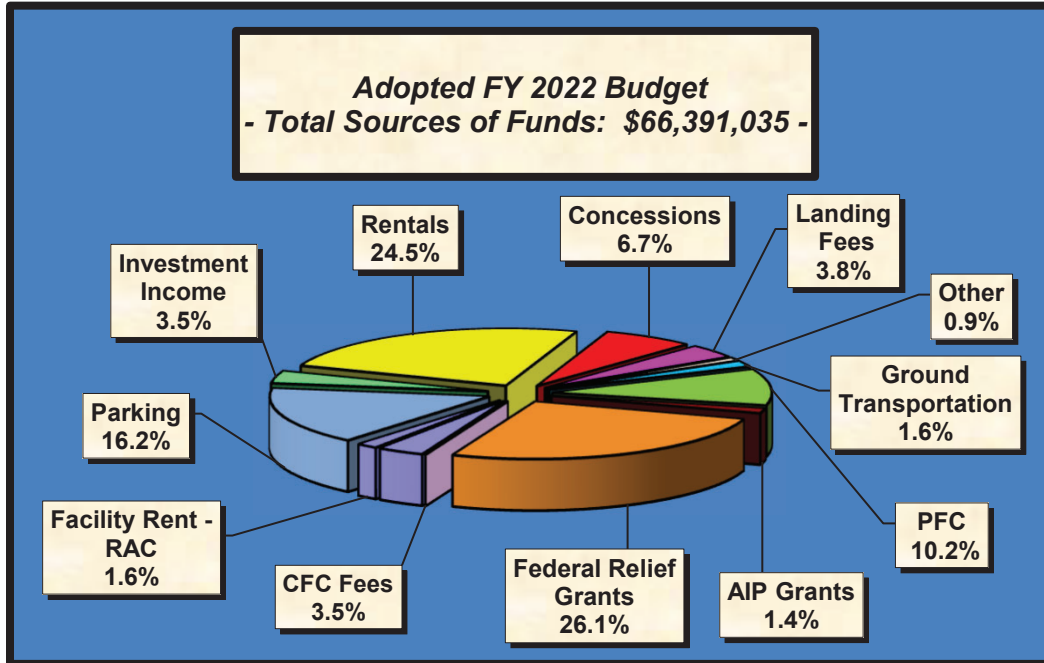
Of the total \$9,068,850 in program costs, 84.80% (\$7,690,206) is to be funded through alternate funding sources such as Federal Grants and Passenger Facility Charge (PFC) revenues.

Appropriations in the amount of \$275,000 are included for the Replacement Passenger Terminal Program to allow for continued consulting support services associated with the evaluation / financial feasibility of the restart of the project that was placed on hold in March 2020 due to the COVID-19 pandemic.

As funding sources become available or financial recovery sufficiently occurs, other capital project expenditures could be evaluated and presented for consideration in the FY 2022 program at a future date.

Separately, the air carriers are contemplating a \$1,200,000 hardware / software rehabilitation of the CUPPS (Common Use Passenger Processing System) in FY 2022. If approved, the costs will be reimbursed by the carriers.

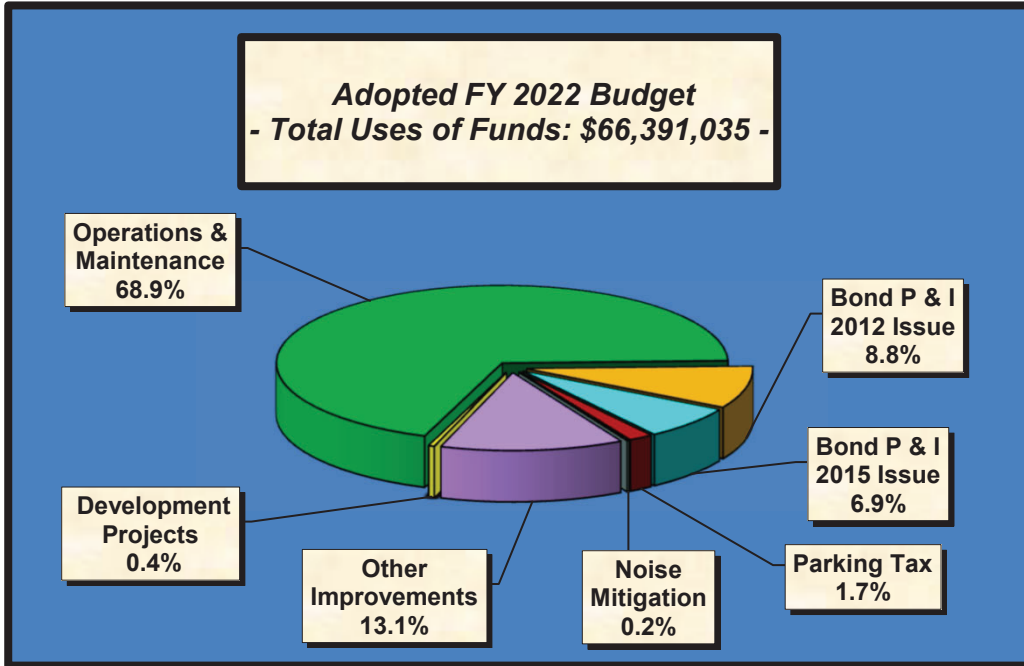




### *Sources of Funds: Summary*

Parking	\$ 10,735,000	
Rentals	16,250,000	
Concessions	4,500,000	
Landing Fees	2,550,000	
Investment Income	2,300,000	
Ground Transportation	1,090,000	
Other Revenues	600,000	
<b>Total Operating Revenues</b>		<b>\$ 38,025,000</b>
PFC Revenues / Reserves	\$ 6,766,150	
Airport Improvement Program Grants	924,056	
CFC Fees: 2012 Bond Issue	2,300,000	
Facility Rent - RAC	1,030,962	
<b>Total Nonoperating Revenues</b>		<b>\$ 11,021,168</b>
<b>Federal Relief Grant Funds (Note 1)</b>		
Bond P & I (2012 Issue)	\$ 2,503,994	
Bond P & I (2015 Issue)	4,561,500	
Concession Relief	2,500,000	
Personnel Costs	7,779,373	
<b>Total Federal Relief Grant Funds</b>		<b>\$ 17,344,867</b>
<b>Airport Reserves</b>		<b>-</b>
<b>Total Adopted FY 2022 Sources of Funds:</b>		<b><u><u>\$ 66,391,035</u></u></b>

Note 1: FY 2022 federal relief grant funds are to be supported by CRRSAA and anticipated ARPA grants.



<i>Uses of Funds: Summary</i>	
Bond Principal & Interest (2012 Issue)	\$ 5,834,956
Bond Principal & Interest (2015 Issue)	4,561,500
Operations & Maintenance	45,775,550
Parking Tax	<u>1,150,179</u>
Sub-Total	\$ 57,322,185
Facility Improvement Program	
Noise Mitigation	\$ 125,000
Other Improvements	8,668,850
Development Projects	<u>275,000</u>
Sub-Total	\$ 9,068,850
Additional O & M Reserve Requirement	<u>\$ -</u>
<b>Total Adopted FY 2022 Uses of Funds:</b>	<b><u><u>\$ 66,391,035</u></u></b>