

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

ADOPTED FY 2024/2025

BUDGET AND BUDGET OVERVIEW



DATE: JUNE 3, 2024



**Hollywood
Burbank
Airport**

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTED FY 2024/2025 ("FY 2025") BUDGET
SUMMARY

SOURCES OF FUNDS: SUMMARY

	Adopted Budget FY 2025	Adopted Budget FY 2024	\$ Change	% Change
Rentals	\$ 18,350,000	\$ 18,200,000	\$ 150,000	0.82%
Parking	32,430,000	27,450,000	4,980,000	18.14%
Concessions	14,000,000	13,285,000	715,000	5.38%
Landing Fees	4,400,000	4,250,000	150,000	3.53%
Investment Income	7,910,000	5,450,000	2,460,000	45.14%
Ground Transportation	3,715,000	3,490,000	225,000	6.45%
Other Revenues	1,745,000	1,625,000	120,000	7.38%
Total Operating Revenues	82,550,000	73,750,000	8,800,000	11.93%
1) PFC Revenues / Reserves - Non-RPT	6,848,699	5,279,264	1,569,435	29.73%
1) Airport Improvement Program Grants - Non-RPT	2,073,301	1,657,736	415,565	25.07%
CFC Reserves	775,000	400,000	375,000	93.75%
CFC Fees: 2012 Bond Issue	5,000,000	4,600,000	400,000	8.70%
Facility Rent - RAC	1,030,962	1,232,433	(201,471)	-16.35%
Total Nonoperating Revenues	15,727,962	13,169,433	2,558,529	19.43%
Total Operating & Nonoperating Revenues	98,277,962	86,919,433	11,358,529	13.07%
2a) RPT Plan of Finance	503,838,000	157,829,049	346,008,951	219.23%
Total	\$ 602,115,962	\$ 244,748,482	\$ 357,367,480	146.01%

USES OF FUNDS: SUMMARY

	Adopted Budget FY 2025	Adopted Budget FY 2024	\$ Change	% Change
Bond P & I (2012 Issue)	\$ 5,833,134	\$ 5,832,433	\$ 701	0.01%
Bond P & I (2015 Issue)	-	4,567,500	(4,567,500)	-100.00%
3) Bond P & I (2024 Issue)	-	-	-	N/A
Subtotal Debt Service	5,833,134	10,399,933	(4,566,799)	-43.91%
Operations and Maintenance	64,404,500	61,136,323	3,268,177	5.35%
Total Operating Expenses	70,237,634	71,536,256	(1,298,622)	-1.82%
Facility Improvement Program				
Noise Mitigation	1,500,000	1,000,000	500,000	50.00%
Other Improvements	11,357,000	9,262,000	2,095,000	22.62%
2b) Development	507,848,000	158,579,049	349,268,951	220.25%
Total Facility Improvement Program	520,705,000	168,841,049	351,863,951	208.40%
Parking Tax	3,474,643	2,941,071	533,572	18.14%
Total Operating & Nonoperating Expenses	594,417,277	243,318,376	351,098,901	144.30%
Additional O & M Reserve Requirement	817,044	1,430,106	(613,062)	-42.87%
4) Surplus Transfers to Reserves	6,881,641	-	6,881,641	N/A
Total	\$ 602,115,962	\$ 244,748,482	\$ 357,367,480	146.01%

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 2025 project expenditures.
- 2b) Includes FY 2025 estimated RPT expenditures, subject to modification as the fiscal year progresses.
- 3) The Series 2024 bonds were issued in May 2024 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.
- 4) Surplus transfers to reserves are comprised of the following: (1) Facility Rent Reserve (\$197,828) restricted for allowed uses under the terms and conditions of the Non-Exclusive Concession and Lease agreement with the Rent-A-Car Companies; (2) Facility Development Reserve (\$6,683,813) unrestricted for future use.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTED FY 2024/2025 ("FY 2025") BUDGET
OPERATIONS & MAINTENANCE ("O & M") EXPENSES

ACCT #	DESCRIPTION	ADOPTED BUDGET FY 2025	ADOPTED BUDGET FY 2024	\$ AMOUNT CHANGE	% CHANGE
8000	Regular Wages	\$ 4,117,000	\$ 3,748,000	\$ 369,000	9.85%
8012	Overtime Wages	400,000	380,000	20,000	5.26%
8100	Sick Leave	313,500	293,000	20,500	7.00%
8102	Vacation	310,000	290,000	20,000	6.90%
8103	Payroll Taxes	429,000	400,000	29,000	7.25%
8104	Workers' Compensation Insurance	600,000	710,000	(110,000)	-15.49%
8105	Group Insurance	601,500	702,000	(100,500)	-14.32%
8107	Retiree Medical Trust	52,000	51,000	1,000	1.96%
8109	Holiday	272,500	255,000	17,500	6.86%
8110	Employee Retirement Plan	701,500	620,000	81,500	13.15%
8111	Employee Medical Opt Out	36,000	28,800	7,200	25.00%
8115	FSA Admin.	900	900	-	0.00%
8120	Certification Pay	436,000	352,000	84,000	23.86%
8125	Training Pay	13,000	13,000	-	0.00%
8200	Office Supplies	95,000	85,000	10,000	11.76%
8202	Periodicals, Maps and Pamphlets	5,600	13,600	(8,000)	-58.82%
8204	Printing and Binding	15,400	14,400	1,000	6.94%
8206	Special Office / Other Supplies	131,500	117,250	14,250	12.15%
8208	Postage	18,400	16,000	2,400	15.00%
8210	Office / Noise Equipment Service	157,500	163,675	(6,175)	-3.77%
8212	Copy Machine Lease	30,000	26,600	3,400	12.78%
8214	Office Equipment Rent	700	700	-	0.00%
8216	Photographic Expense	400	250	150	60.00%
8252	Recruitment Expense	30,000	30,000	-	0.00%
8254	Membership Dues	143,000	169,220	(26,220)	-15.49%
8256	Uniform Expense	181,800	161,000	20,800	12.92%
8258	Commission Meeting	175,000	175,000	-	0.00%
8260	Conference Meeting	192,700	163,800	28,900	17.64%
8261	Training Expense	419,950	462,500	(42,550)	-9.20%
8302	Fuel, Oil and Lubricants	525,000	525,000	-	0.00%
8303	Low Value Communications Equipment	5,500	3,500	2,000	57.14%
8304	Low Value Machinery / Equipment	18,750	21,450	(2,700)	-12.59%
8305	Low Value Furniture / Fixtures	56,800	32,200	24,600	76.40%
8306	Vehicle Repair / Maintenance Supplies	59,300	50,500	8,800	17.43%
8308	General Repair / Maintenance	170,000	120,000	50,000	41.67%
8316	Shop Supplies	75,800	61,000	14,800	24.26%
8318	Electrical Supplies	195,550	181,000	14,550	8.04%
8320	Plumbing, Heating and Air Conditioning	190,000	190,000	-	0.00%
8322	Building / Construction Supplies	85,250	75,000	10,250	13.67%
8324	Telephone Expense	425,000	375,000	50,000	13.33%
8326	Communications Maintenance	82,600	58,600	24,000	40.96%
8332	Industrial Chemical Supplies	112,000	14,500	97,500	672.41%

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTED FY 2024/2025 ("FY 2025") BUDGET
OPERATIONS & MAINTENANCE ("O & M") EXPENSES

ACCT #	DESCRIPTION	ADOPTED BUDGET FY 2025	ADOPTED BUDGET FY 2024	\$ AMOUNT CHANGE	% CHANGE
8334	Operating / Maintenance Equipment Lease	\$ 67,650	\$ 67,650	\$ -	0.00%
8335	Other Leases / Rentals	25,000	35,000	(10,000)	-28.57%
8336	Utility – Gas	90,000	90,000	-	0.00%
8338	Utility – Electric	1,944,000	1,800,000	144,000	8.00%
8340	Utility – Water	539,000	490,000	49,000	10.00%
8341	Sign Repair and Maintenance	125,100	115,100	10,000	8.69%
8342	Landscaping Expense	285,000	270,000	15,000	5.56%
8344	Paint Expense	167,500	167,500	-	0.00%
8604	ARFF Services	4,474,000	3,818,000	656,000	17.18%
8606	Tenant Janitorial Services	1,111,750	1,111,750	-	0.00%
8607	Janitorial Services	1,535,250	1,535,250	-	0.00%
8608	Refuse Collection	185,000	185,000	-	0.00%
8610	Contractual Building	262,000	297,000	(35,000)	-11.78%
8612	Contractual Systems	1,682,000	1,710,500	(28,500)	-1.67%
8620	Contractual Vehicle Maintenance	465,000	385,400	79,600	20.65%
8622	Other Contracted O & M Costs	1,662,550	1,094,978	567,572	51.83%
8625	Contractual Parking Ops. (Self-Park / Valet)	5,500,000	5,693,200	(193,200)	-3.39%
8626	Contractual Transportation Services	2,550,000	3,000,000	(450,000)	-15.00%
8702	Noise Consultants	97,000	87,000	10,000	11.49%
8704	Legal Services	1,000,000	1,200,000	(200,000)	-16.67%
8706	Audit Services	200,000	140,000	60,000	42.86%
8708	Professional Management Services	18,700,000	17,450,000	1,250,000	7.16%
8709	Engineering Services	270,000	210,000	60,000	28.57%
8710	Financial Services	1,380,000	1,158,000	222,000	19.17%
8711	Other Professional Services	3,216,600	3,153,400	63,200	2.00%
8715	Environmental Services	235,000	242,000	(7,000)	-2.89%
8804	Bad Debt Expense	4,000	4,000	-	0.00%
8816	Insurance	2,085,000	1,865,000	220,000	11.80%
8818	Public Relations / Advertising	129,000	110,500	18,500	16.74%
8819	Air Service Retention and Development	942,000	910,000	32,000	3.52%
8822	Licenses, Permits and Fees	353,700	362,650	(8,950)	-2.47%
8825	Uninsured Loss	10,000	10,000	-	0.00%

TOTAL O & M EXPENDITURES	\$ 63,174,500	\$ 59,919,323	\$ 3,255,177	5.43%
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O & M EQUIPMENT AND PROJECTS

9010	Vehicles / Equipment	\$ 975,000	\$ 734,000	\$ 241,000	32.83%
9022	Other Machinery / Equipment	170,000	398,000	(228,000)	-57.29%
9026	Office Equipment / Systems	85,000	85,000	-	0.00%

TOTAL O & M EQUIPMENT / PROJECTS	\$ 1,230,000	\$ 1,217,000	\$ 13,000	1.07%
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TOTAL OPERATIONS AND MAINTENANCE	\$ 64,404,500	\$ 61,136,323	\$ 3,268,177	5.35%
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**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTED FY 2024/2025 ("FY 2025") BUDGET
FACILITY IMPROVEMENT (CAPITAL) PROGRAM**

PROJECT DESCRIPTION	COST	FUNDED BY				
		NON-RPT PFC REVENUES	NON-RPT AIP GRANTS	CFC RESERVES	RPT: PLAN OF FINANCE ¹⁷	AIRPORT SHARE
BUILDING IMPROVEMENTS						
1) Minor Building Improvements	\$ 420,000	\$ -	\$ -	\$ -	\$ -	\$ 420,000
2) Hangar 5 Rehabilitation - RPT Storage	275,000	-	-	-	-	275,000
3) RITC Art in Public Places (completion)	175,000	-	-	175,000	-	-
4) Bldg. 36 Security / Ramp Access Doors Replacement	130,000	-	-	-	-	130,000
TOTAL BUILDING IMPROVEMENTS	\$ 1,000,000	\$ -	\$ -	\$ 175,000	\$ -	\$ 825,000
IT / COMMUNICATIONS / SECURITY						
5) Communications Center Equip. (completion)	\$ 475,000	\$ -	\$ -	\$ -	\$ -	\$ 475,000
6) Telephone System Rehabilitation	300,000	-	-	-	-	300,000
7) Fiber Optic Loop Completion	225,000	-	-	-	-	225,000
8) DVSS Hardware Replacement / Upgrades	200,000	-	-	-	-	200,000
9) Mobile Police Firearms Training Range (completion)	250,000	-	-	-	-	250,000
TOTAL IT / COMMUNICATIONS / SECURITY	\$ 1,450,000	\$ -	\$ -	\$ -	\$ -	\$ 1,450,000
EQUIPMENT						
10) ARFF Truck Replacement (carryover)	\$ 1,132,000	\$ 205,164	\$ 851,836	\$ -	\$ -	\$ 75,000
11) North Tower Escalator Rehabilitation	600,000	-	-	600,000	-	-
12) Shuttle EV Charger Infrastructure	500,000	-	-	-	-	500,000
13) Airfield Maint. Equipment: Tractor Mower	175,000	-	-	-	-	175,000
TOTAL EQUIPMENT	\$ 2,407,000	\$ 205,164	\$ 851,836	\$ 600,000	\$ -	\$ 750,000
RUNWAY / TAXIWAY / ROADWAY PROJECTS						
14) Runway / Taxiway Shoulder Rehabilitation	\$ 6,000,000	\$ 5,800,000	\$ -	\$ -	\$ -	\$ 200,000
15) S.W. Ramp Area and Maint. Yard - Reconstruction	500,000	-	-	-	-	500,000
TOTAL RUNWAY / TAXIWAY / ROADWAY PROJECTS	\$ 6,500,000	\$ 5,800,000	\$ -	\$ -	\$ -	\$ 700,000
NOISE MITIGATION						
16) Part 150 Update (multi-year)	\$ 1,500,000	291,150	\$ 1,208,850	\$ -	\$ -	\$ -
TOTAL NOISE MITIGATION	\$ 1,500,000	\$ 291,150	\$ 1,208,850	\$ -	\$ -	\$ -
SUBTOTAL	\$ 12,857,000	\$ 6,296,314	\$ 2,060,686	\$ 775,000	\$ -	\$ 3,725,000
DEVELOPMENT						
17) Replacement Passenger Terminal Project (multi-year)	\$ 506,848,000	\$ -	\$ -	\$ -	\$ 503,838,000	\$ 3,010,000
18) SEQ Phase 1 - RPS Reconfiguration: Design	500,000	-	-	-	-	500,000
19) SEQ Phase 2 - Roadway Reconfiguration: Design	500,000	500,000	-	-	-	-
TOTAL DEVELOPMENT	\$ 507,848,000	\$ 500,000	\$ -	\$ -	\$ 503,838,000	\$ 3,510,000
TOTAL FACILITY IMPROVEMENT PROGRAM	\$ 520,705,000	\$ 6,796,314	\$ 2,060,686	\$ 775,000	\$ 503,838,000	\$ 7,235,000

Notes:

- 1) Appropriations in the amount of \$420K have been included to address small projects.
- 2) Hangar 5 Rehabilitation: To support RPT long lead items storage.
- 3) Completion of Art in Public Places requirement at the Regional Intermodal Transportation Center (RITC) (\$175K).
- 4) Building 36 Security / Ramp Access Doors Replacement: To replace aging security / ramp access doors (\$130K).
- 5) Communications Center Equipment (completion): Completion of the replacement Communications Center console (\$475K).
- 6) Telephone System Rehabilitation: To extend the life of existing telephone system at current terminal.
- 7) Fiber Optic Loop Completion: Installation of final fiber optic sections.
- 8) Digital Video Surveillance System (DVSS): Installation of new and replacement equipment (\$200K).
- 9) Mobile Police Firearms Training Range (completion): On-site installation of firearms training range (\$250K).
- 10) ARFF Truck Replacement: Pending delivery and acceptance of vehicle.
- 11) North Tower Escalator Rehabilitation: Rehabilitation of two escalators.
- 12) Shuttle EV Charger Infrastructure: Preparations for cutover to electric parking shuttles in compliance with State law.
- 13) Airfield Maintenance Equipment: Replacement tractor mower.
- 14) Runway / Taxiway Shoulder Rehabilitation: Provides for construction in FY 2025.
- 15) S.W. Ramp Area and Maintenance Yard: Reconstruction of distressed pavement areas.
- 16) Part 150 Update (multi-year): Continuation of multi-year program.
- 17) Replacement Passenger Terminal Project (multi-year):

Forecasted Expenditures FY 2025

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

Program Manager (Jacobs)	\$ 10,092,000
Design DB (HPTJV)	12,876,000
Construction Work DB (HPTJV)	443,318,000
Sub Station Aid in Construction (AIC)	37,552,000
	<u>\$ 503,838,000</u>

Funded by Airport Share

Support Services (Financial, Technical, Legal, Other)	1,510,000
Commercial Paper Program Fees	1,500,000
Forecasted FY 2025 Project Expenditures	<u>\$ 506,848,000</u>

Note: RPT funding sources includes AIP, PFC, BIL, GARBs, and Authority Reserves.

- 18) SEQ Phase 1 - RPS Reconfiguration Design: Preparation for return to self-park.
- 19) SEQ Phase 2 - Roadway Reconfiguration Design: Advanced planning for post RPT opening.

Budget Overview: Fiscal Year 2024/2025 (“FY 2025”)



INTRODUCTION:

FY 2024 passenger activity, forecasted to exceed historical levels, represents momentum favorably beyond a full recovery from the previous challenging multi-year period declines due to the pandemic. The near-term outlook for BUR travel demand is anticipated to remain stable, positioned for some modest growth, with the announced additions by certain air carriers of added flight frequencies and new destinations commencing in June 2024. Therefore, a key objective of the FY 2025 budget is to provide sufficient appropriations to support activity levels and airport operational requirements.

Another major priority is the Replacement Passenger Terminal (“RPT”) project, which after being 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 and the Design Build team, to the Commission approved Guaranteed Maximum Price (GMP) in May 2024 with the subsequent issuance of the 2024 Airport Revenue bonds in support of the project Plan of Finance. The completion of this multi-year project is scheduled for October 2026 (FY 2027), with the adopted FY 2025 budget including significant appropriations to commence the robust construction efforts.

While the near-term passenger activity outlook remains positive, it is tempered by evolving global and economic issues as well as potential aircraft availability and engine issues.

As the return of the leisure market has been strong, this travel segment tends to be sensitive to price and economic conditions, which could dampen discretionary travel demand. Additionally, the return of business travel has started to strengthen but remains below previous FY 2019 levels. Therefore, assumptions utilized for the development of FY 2025 budget remain conservative.

BUDGET OVERVIEW:

- **Highlights and Noteworthy Items:**

- FY 2025 projected activity has been based flat to total estimated FY 2024 passenger levels of 6,100,000. This level is considered conservative as it does not include impacts of additional flight service announced by certain air carriers to commence in June.
- The FY 2025 passenger level assumption of 6,100,000 is divided by quarter to reflect seasonal fluctuations as follows:
 - July – September: 1,647,000 (represents 27% of total)
 - October – December: 1,586,000 (represents 26% of total)
 - January – March: 1,220,000 (represents 20% of total)
 - April – June: 1,647,000 (represents 27% of total)
- The programmed FY 2025 increase in activity based operating revenues over the FY 2024 budget is primarily due to the return of passenger activity and parking rate increases to be effective July 1, 2024. The non-activity based investment income revenue source reflects favorable activity due to elevated reinvestment rates. FY 2025 operating revenues account for the termination in FY 2024 of certain leased / other spaces to accommodate the progress of the RPT.
- 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 adjusts service levels. Expense line items, where applicable, have been developed utilizing a zero-based budget approach.
- All existing debt service obligations are funded. The 2015 Revenue Bonds are fully defeased. Full debt service will not commence for the newly issued 2024 Series Revenue Bonds until FY 2027 as interest will be capitalized during construction of the RPT.
- The FY 2025 budget includes estimated expenditures of \$506,848,000 to continue development of the multi-year RPT project scheduled for completion in October 2026 (FY 2027). The funding for the RPT will be primarily from those sources as identified in the project Plan of Finance. Additional details are provided in Section III of this document.

BUDGET OVERVIEW – continued

- The FY 2025 adopted budget is presented as a balanced budget (which includes an estimated surplus to be transferred to reserves) 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.

- Due primarily to the defeasance of the 2015 Revenue Bonds, delay of debt service for the 2024 Series Revenue Bonds and positive operating revenue projections, there is a resulting FY 2025 estimated operating surplus. Any operating surplus transferred to the Facility Development Reserve fund can be utilized for future use.

- Actual activity and financial performance will be closely monitored as FY 2025 progresses, which may result in recommendations to the budget program.

FY 2025 BUDGET: OVERVIEW BY CATEGORY

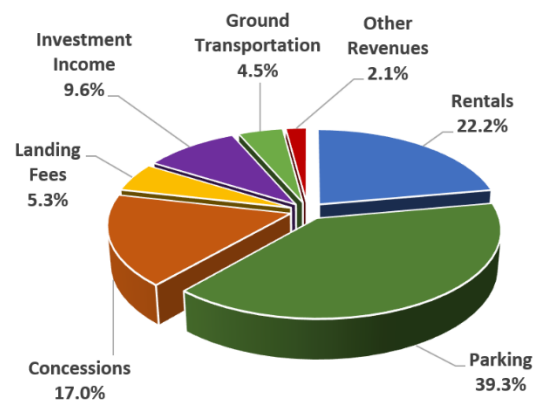
I. FY 2025 OPERATING REVENUES

FY 2025 operating revenues are programmed to total \$82,550,000, a 11.93% (\$8,800,000) increase over FY 2024 budget levels.

Below is a summary and highlights of projected operating revenues:

FY 2025 Operating Revenues: Summary

Rentals	\$ 18,350,000
Parking	32,430,000
Concessions	14,000,000
Landing Fees	4,400,000
Investment Income	7,910,000
Ground Transportation	3,715,000
Other Revenues	1,745,000
Total Operating Revenues	\$82,550,000



I. **FY 2025 OPERATING REVENUES – continued**

Rentals: \$18,350,000

Rental revenues are programmed \$150,000 above the prior year budget primarily due to favorable CPI increases as per existing lease contract terms. The adopted budget is approximately \$309,000 below the FY 2024 estimated actual amount to account for the FY 2024 termination of certain leases to accommodate the RPT project.

Parking: \$32,430,000

FY 2025 Parking revenues, forecasted at \$32,430,000, are \$4,980,000 greater than the FY 2024 budget.

This forecast includes:

- Projections based on the assumption of passenger activity levels of 6,100,000 and demand for self-park / valet parking options.
- The estimated impact of parking rate increases (\$3,400,000) to be effective July 1, 2024.

Parking revenue is subject to the City of Burbank's 12% Parking Tax requirement, therefore, appropriations in the amount of \$3,474,643 are included in the adopted budget.

Concessions: \$14,000,000

This category includes revenues generated from rental car companies, food / beverage, gift / news, advertising and other ancillary concessionaires. The adopted FY 2025 budget is programmed at \$715,000 greater than the prior fiscal year budget and slightly above estimated FY 2024 actual performance.

This category is forecasted to include continued strong rental car concession revenue, driven by demand.

Landing Fees: \$4,400,000

The FY 2025 budgeted increase of \$150,000 is based slightly above estimated actual FY 2024 actual revenues. No increase has been included for additional service that certain air carriers have announced to commence in June 2024.

Investment Income: \$7,910,000

Investment income has been forecasted at \$2,460,000 above FY 2024 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 Airport Reserves to support the RPT project financing plan during the year has been factored into the forecast.

I. **FY 2025 OPERATING REVENUES – continued**

Ground Transportation: \$3,715,000

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 continued recovery of demand for this service, this line item has been programmed at \$225,000 above FY 2024 budget levels, in line with FY 2024 estimated actual amounts. The recovery in demand for ride share services remains below pre-pandemic levels.

Other Revenues: \$1,745,000

This category is programmed at \$120,000 above FY 2024 budget levels. This category includes revenues derived from ground handling fees, aircraft remote parking fees, fuel flowage and security badging fingerprint fees.





II. FY 2025 OPERATIONS AND MAINTENANCE (O & M) EXPENSES

The Operations and Maintenance (O & M) Budget totals \$64,404,500, an increase of 5.35% (\$3,268,177) from the FY 2024 approved budget, primarily to provide sufficient appropriations to support activity levels, additional staff positions to address operational requirements, and labor rate / other contractual increases associated with various services. All line items, where applicable, have been developed utilizing a zero-based budget approach.

Appropriations for FY 2025 remain focused on prioritizing safety, security, compliance, Part 139 operational requirements, and include Airport staffing levels as follows:

Staffing	FTE Headcount	Account Numbers	Additional Details
Airport Police Department	35	Accts. #8000 – #8125	Pg. # 10
Aircraft Rescue and Firefighting	20	Acct. #8604	Pg. # 11
TBI Airport Management	129	Acct. #8708	Pg. # 13
Total	<u>184</u>		

Additional staffing provided through other contracted services is 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 \$8,282,900, 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. The MOU is in effect through 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 2024).

The Police Department appropriations cover the existing authorized base of 35 full-time equivalent (FTE) positions and include a full year for the Deputy Police Chief position that was authorized to commence mid FY 2024. Also, terms of the Commission approved contract with the Chief of Police are included.

II. **FY 2025 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 (\$4,474,000) have been included in accordance with the replacement Collective Bargaining Agreement (CBA) that went into effect July 1, 2023 (FY 2024). Negotiations were underway last year when the FY 2024 budget was developed, therefore a placeholder equal to the FY 2023 budget was included pending establishment of a new CBA. The replacement CBA is in effect through June 30, 2026. The staffing level remains at 20 FTE positions, which includes 2 Command Staff personnel.

➤ **Fuel: Account #8302**

The adopted FY 2025 appropriations of \$525,000 are based flat to the current year budget. Estimated actual FY 2024 amounts are slightly lower than the budget but this line item is anticipated to remain volatile due to continuing fuel price fluctuations.

➤ **Industrial Chemical Supplies: Account #8332**

The adopted FY 2025 budget of \$112,000 represents an increase over the current year budget due to the inclusion of appropriations to begin addressing the mandatory transition in fire fighting agent to 3F foam. Additional appropriations to continue this transition will be included in future year budgets as appropriate.

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

These accounts, with a total adopted budget of \$2,573,000, 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 increased utility use due to positive passenger activity.

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

The current vendor (C&W Facility Services) is a replacement service provider under a one-year agreement which expires October 31, 2024. The rebid process for these services is currently underway. Appropriations equal to FY 2024 amounts (\$2,647,000) which are close to estimated FY 2024 actual expenditures, have been included as a placeholder pending conclusion of the RFP process. Upon establishment of a contract award, the Commission will be apprised of any resulting budget impacts.

➤ **Contractual Vehicle Maintenance: Account #8620**

The adopted \$465,000 in appropriations reflects a \$79,600 increase from the current year budget primarily due to new contract rates associated with the recently rebid and awarded vehicle maintenance agreement with Keolis effective April 1, 2024.

II. **FY 2025 OPERATIONS AND MAINTENANCE (O & M) EXPENSES – continued**

➤ **Contractual Systems: Account #8622**

FY 2025 appropriations in the amount of \$1,662,550 are included for this line item. The increase of \$567,572 over the current year budget is primarily due to the inclusion of \$500,000 to address Runway 8/26 maintenance pending the receipt of federal funding to provide for the complete reconstruction anticipated as part of the FY 2028 Capital program.

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

This line item, with appropriations of \$5,500,000, represents costs associated with the contracted services agreement with ACE Parking (ACE) management for the Authority's self-park and valet parking lot operations. At the conclusion of a rebid process, which combined parking shuttle services, the contract was awarded to ACE, effective October 1, 2023 resulting in a favorable cost structure.

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

This line item, with appropriations of \$2,550,000, represents costs associated with the contracted services agreement with ACE to provide turn-key parking shuttle bus services. As highlighted above, the shuttle services were combined with parking management in a rebid process which concluded with a contract award to ACE, effective on October 1, 2023 again resulting in a favorable cost structure.

FY 2025 appropriations include an additional \$60,000 in anticipation of a 50% shuttle fleet conversion to EV.



II. FY 2025 OPERATIONS AND MAINTENANCE (O & M) EXPENSES – continued

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

This line item represents the estimated FY 2025 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 2025 costs (\$18,700,000) represent a \$1,250,000 increase from the current budget and includes:

- 3% structural merit allowance adjustment for non-represented employees.
- No Collective Bargaining Agreement (CBA) increases for represented employees are included as the replacement contract negotiations are currently underway.
- Inclusion of a retention allowance (flat to FY 2024 level).
- 10% allowance for potential mid-fiscal year increases to medical and dental benefits.
- Additional six (6) positions:
 - Chief of Staff
 - ICT Manager
 - ICT Support Technician
 - Financial Analyst
 - Property Specialist
 - Procurement Specialist

Below are the FY 2025 components of this account:

Components of FY 2025			
Account # 8708 : Professional Management Services (TBI)			
	<u>Salaried</u>	<u>Hourly</u>	<u>Total</u>
Wages	\$ 8,161,996	\$ 4,986,926	\$ 13,148,922
Healthcare	1,279,786	1,003,853	2,283,639
Retirement	482,121	333,701	815,822
Other Fringe	810,210	594,160	1,404,370
Subtotal	<u>\$ 10,734,113</u>	<u>\$ 6,918,640</u>	<u>\$ 17,652,753</u>
Merit Allowance	202,915	23,681	226,596
Maintenance CBA	—	—	—
Subtotal	<u>\$ 10,937,028</u>	<u>\$ 6,942,321</u>	<u>\$ 17,879,349</u>
Less costs charged to Projects			(232,772)
Retention Allowance			100,000
Management Fee			953,423
Total Account # 8708			<u>\$ 18,700,000</u>
Number of funded positions	66	63	129

II. FY 2025 OPERATIONS AND MAINTENANCE (O & M) EXPENSES – continued

➤ Financial Services: Account #8710

Appropriations in the amount of \$1,380,000 have been included, increasing above the current year budget (\$222,000) primarily due to estimated additional credit card processing fees related to projected increase in parking revenue associated with the self-park and valet lot operations.

➤ Insurance: Account #8816

The Authority's insurance policies renew on July 1, 2024; 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 2025 in the amount of \$2,085,000.

➤ 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 2025 adopted budget of \$942,000 is \$32,000 above the prior year budget however remains slightly below pre-pandemic appropriation levels (\$950,000)

➤ Vehicles / Equipment: Account #9010

After holding back a majority of vehicle acquisitions during the pandemic, and working through supply chain issue challenges, the adopted budget of \$975,000 includes two (2) EV vehicles, three (3) Police Interceptors, two (2) Maintenance; two (2) Operations department vehicles and a replacement ARFF utility truck. The ARFF utility truck was authorized in the FY 2024 budget, but delivery delays will result in the vehicle arriving summer FY 2025. Every effort will be made to procure the most environmentally sustainable vehicle that meets the department operational requirements.

➤ Other Machinery / Equipment: Account #9022

Appropriations in the amount of \$170,000 provide for several items including replacement radios and acquisition of Police and ARFF equipment to support public safety operations.



III. FY 2025 FACILITY IMPROVEMENT (CAPITAL) BUDGET

The total adopted FY 2025 Facility Improvement (Capital) Budget of \$520,705,000 consists of the following amounts by category:

Category	Adopted FY 2025 Budget
Building Improvements	\$ 1,000,000
IT / Communications / Security	1,450,000
Equipment	2,407,000
Runway / Taxiway / Roadway Projects	6,500,000
Noise Mitigation	1,500,000
Subtotal	\$ 12,857,000
RPT Project / Other Development	\$ 507,848,000
Total Adopted FY 2025 Improvement Budget	\$ 520,705,000

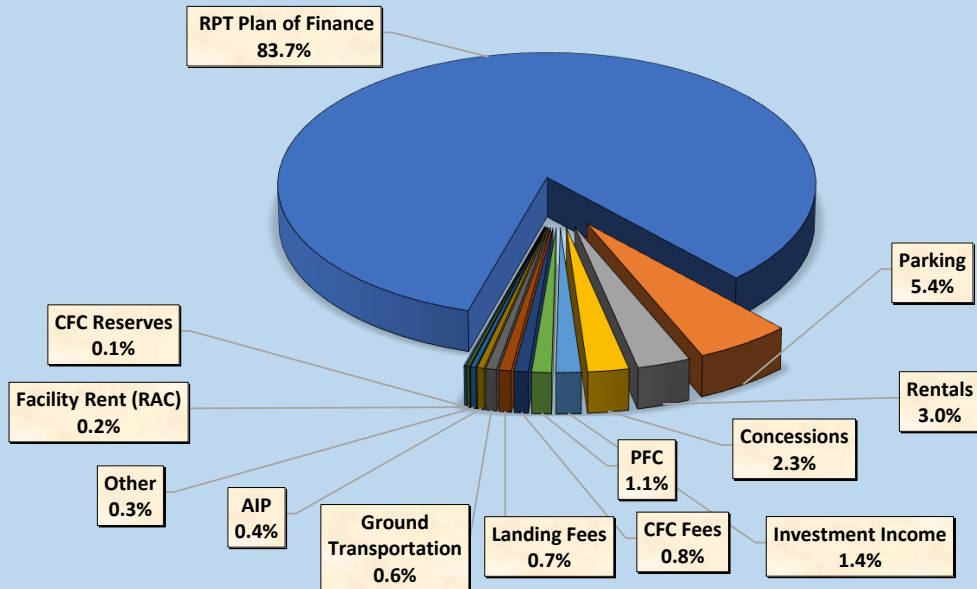
Highlights of FY 2025 Capital projects include:

- Replacement Passenger Terminal Project (*multi-year*): \$ 506,848,000
- Runway / Taxiway Shoulder Rehabilitation (*construction*): \$ 6,000,000
- ARFF Truck Replacement: \$ 1,132,000
- Part 150 Update (*multi-year*): \$ 1,500,000
- Shuttle EV Charger Infrastructure \$ 500,000
- Communications Center Equipment (*completion*): \$ 475,000

FY 2025 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 Guaranteed Maximum Price (GMP) was approved in May 2024.



Adopted FY 2025 Budget
Total Sources of Funds: \$602,115,962



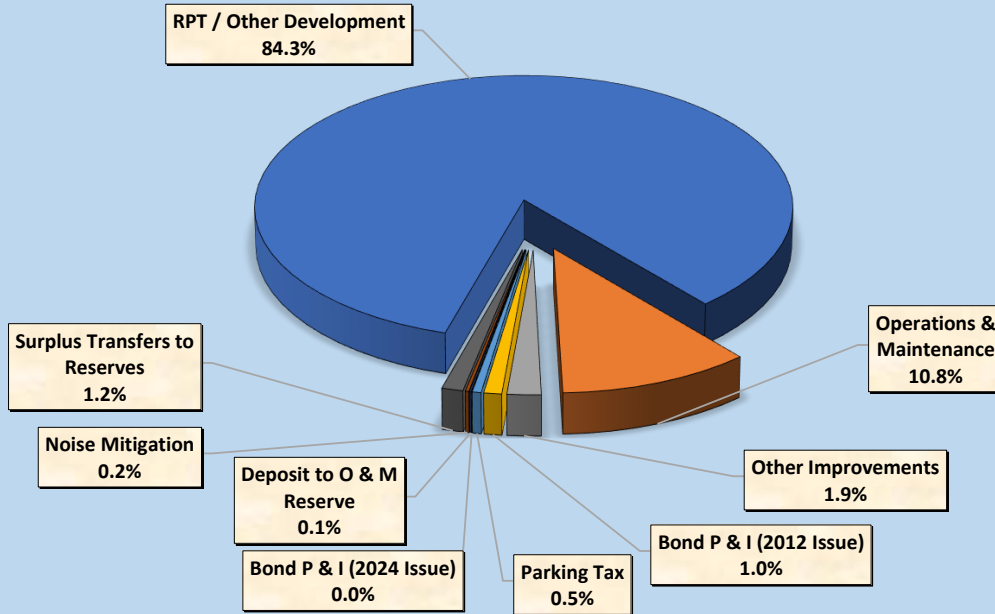
Sources of Funds: Summary

Parking	\$	32,430,000	
Rentals		18,350,000	
Concessions		14,000,000	
Investment Income		7,910,000	
Landing Fees		4,400,000	
Ground Transportation		3,715,000	
Other Revenues		1,745,000	
		<hr/>	
Total Operating Revenues	\$		82,550,000
PFC Revenues / Reserves - Non-RPT (1)	\$	6,848,699	
CFC Fees: 2012 Bond Issue		5,000,000	
Airport Improvement Program Grants - Non-RPT (1)		2,073,301	
Facility Rent - RAC		1,030,962	
CFC Reserves		775,000	
		<hr/>	
Total Nonoperating Revenues	\$		15,727,962
RPT Plan of Finance (2)	\$		503,838,000
			<hr/>
Total Adopted FY 2025 Sources of Funds:	\$		602,115,962
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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 2025 project expenditures.

Adopted FY 2025 Budget
Total Uses of Funds: \$602,115,962



Uses of Funds: Summary

Operations & Maintenance	\$	64,404,500	
Bond Principal & Interest (2012 Issue)		5,833,134	
Parking Tax		3,474,643	
Bond Principal & Interest (2024 Issue) (1)		-	
Sub-Total			\$ 73,712,277
Facility Improvement Program			
Development (2)	\$	507,848,000	
Other Improvements		11,357,000	
Noise Mitigation		1,500,000	
Sub-Total			\$ 520,705,000
Additional O & M Reserve Requirement			\$ 817,044
Surplus Transfers to Reserves (3)			\$ 6,881,641
Total Adopted FY 2025 Uses of Funds:			\$ 602,115,962

Notes:

- (1) The Series 2024 bonds issued in May 2024 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) Includes FY 2025 estimated RPT expenditures, subject to modification as the fiscal year progresses.
- (3) Surplus transfers to reserves are comprised of the following: (1) Facility Rent Reserve (\$197,828) restricted for allowed uses under the terms and conditions of the Non-Exclusive Concession and Lease agreement with the Rent-A-Car Companies; (2) Facility Development Reserve (\$6,683,813) unrestricted for future use.