



INDIANAPOLIS AIRPORT AUTHORITY



2018 APPROPRIATION BUDGET

ORDINANCE No. 1-2017

BOARD APPROVED AUGUST 18, 2017

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Appropriation Summary



Indianapolis Airport Authority

	2017	2018
	Total	Total
Personal Services	\$ 31,334,000	\$ 34,444,000
Supplies & Materials	5,737,000	6,069,000
Contractual Services and Debt Service	156,393,000	147,231,000
Operating Capital	233,000	1,604,000
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Total Airport System Fund	\$ 193,697,000	\$ 189,348,000 *
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Total Capital Improvement Fund	\$ 79,000,000	\$ 110,000,000 *
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* Appropriation amount published in local newspapers on 7/11 and 7/18

Airport System Fund Expenses - Appropriated Budget



Indianapolis Airport Authority

	Ordinance 2-2016 2017 Budget	Ordinance 1-2017 2018 Budget	2018 vs 2017 Budget Ordinance Increase / (Decrease) Variance	
			\$	%
OPERATING AND MAINTENANCE:				
Personal Services	\$ 31,334,000	\$ 34,444,000	\$ 3,110,000	9.9%
Utilities	10,337,000	10,908,000	571,000	5.5%
Contractual Services	22,113,000	25,698,000	3,585,000	16.2%
Supplies & Materials	5,737,000	6,069,000	332,000	5.8%
Other Charges	1,690,000	1,769,000	79,000	4.7%
Capital Expenditures	233,000	1,604,000	1,371,000	588.4%
Environmental Remediation	34,000	36,000	2,000	5.9%
Total Operating Expenses	<u>71,478,000</u>	<u>80,528,000</u>	<u>9,050,000</u>	<u>12.7%</u>
DEBT SERVICE:				
Special Leases - UAL	21,333,000	17,377,000	(3,956,000)	-18.5%
Interest Payments	42,063,000	37,027,000	(5,036,000)	-12.0%
Principal Payments	58,823,000	54,416,000	(4,407,000)	-7.5%
Total Debt Service	<u>122,219,000</u>	<u>108,820,000</u>	<u>(13,399,000)</u>	<u>-11.0%</u>
TOTAL AIRPORT SYSTEM FUND	<u>\$ 193,697,000</u>	<u>\$ 189,348,000</u>	<u>\$ (4,349,000)</u>	<u>-2.2%</u>
CAPITAL IMPROVEMENT FUND	<u>\$ 79,000,000</u>	<u>\$ 110,000,000</u>	<u>\$ 31,000,000</u>	<u>39.2%</u>

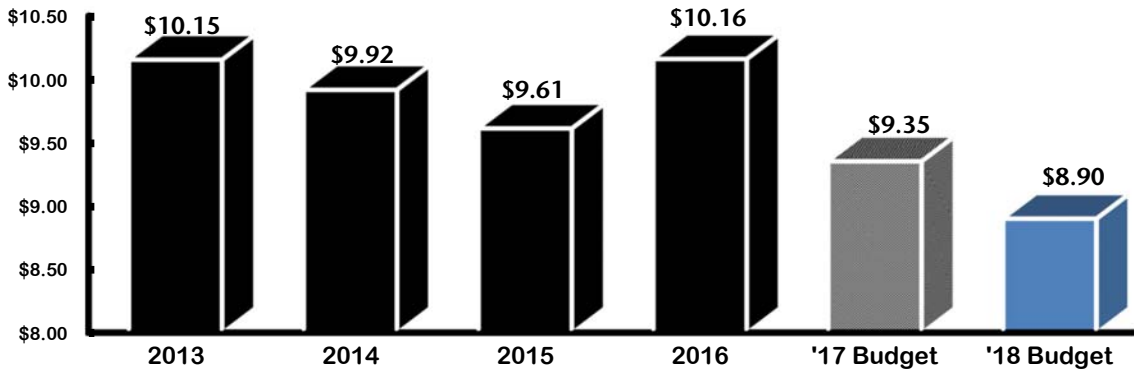
Capital Improvement Fund Appropriation - 2018



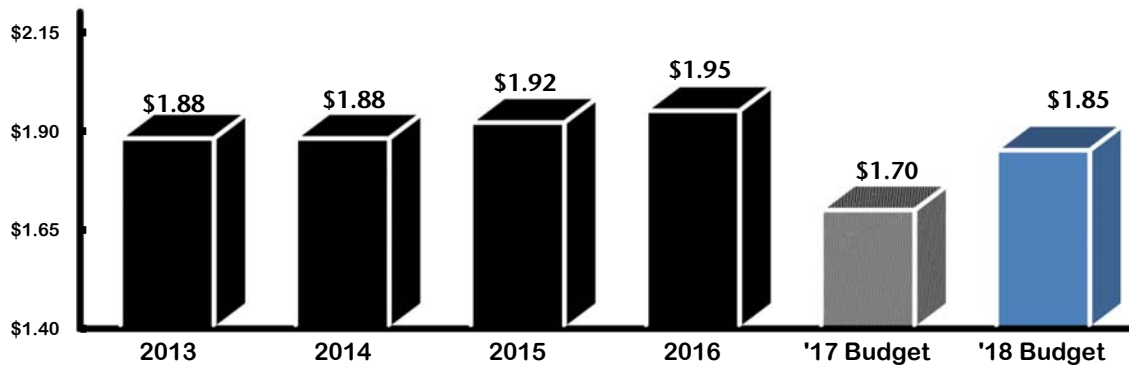
Indianapolis Airport Authority

	(\$000)
New and Ongoing Projects (2018 Project Cost)	
Stormwater Capacity Enhancement	\$ 39,620
Parking Garage Improvements (Mechanical & Structural)	8,800
IND Baggage Handling System	8,505
Consolidated Snow Removal & Equipment Storage Facility	8,000
High Speed Taxiway Exit C7 Reconfiguration, with LED Lights	3,612
Rehabilitate Taxiway C and Shoulders	2,958
Rehabilitate, Relocate & Widen Taxiway B - Eagle Creek	2,828
Bethel Cemetery Relocation	2,522
Shuttle Bus Replacement (Parking) - 2018	2,250
Cargo Building Expansion (Building #622)	2,147
Rehabilitate Airport Roads & Lots - 2018	2,000
Other Airport Projects	20,643
Subtotal (agrees to Program Summary p. 7)	\$ 103,885
Estimated Potential Carryover from 2017	6,115
Total Capital Improvement Fund Appropriation	\$ 110,000

Signatory Passenger Airlines Cost Per Enplanement



Signatory Airlines Landing Fees (Per 1,000 lbs)



SUPPLEMENTAL SCHEDULES

Indianapolis Airport Authority

Capital Improvement Program 2018

PROJECT NAME	PRE-2017 ACTUAL COST	2017 BUDGET / MII	2017 FORECAST	2018 BUDGET
ENTERPRISE PROJECTS DETAIL				
IAA Activities				
Utility Corridor Relocation - Cargo Apron	8	953	4,492	-
Apron Stormwater Inlet Repairs - IND	1,251	-	683	-
Pavement Management: Airfield Rehabilitation Program - 2018	-	262	-	262
TW D Signage at D-3/4/5 & 6	-	-	120	-
LED Lighting and Signage - High Speed Exit C4	-	844	-	-
Expand Airfield Fire Hydrant System - Taxiway D	-	361	-	-
<i>Total Airfield:</i>	<i>1,259</i>	<i>2,420</i>	<i>5,295</i>	<i>262</i>
IND - Terminal and Campus Optimization	769	2,750	1,000	1,500
Terminal Back-up Water Connection	-	245	-	245
Terminal Backup Heating and Cooling	-	180	-	-
Terminal Bird Deterrent System	9	-	800	-
Concession Refresh Professional Fees	159	290	271	150
Install Concourse Exhaust Ducts	184	-	21	-
<i>Total Terminal:</i>	<i>1,121</i>	<i>3,465</i>	<i>2,092</i>	<i>1,895</i>
Parking Master Plan Implementation	128	2,400	1,000	-
*** CFC funded portion of Parking Master Plan Implementation				
Parking Garage Improvements - 2015	189	2,000	4,100	8,800
Parking Garage Improvements - Outyears	37	-	-	-
PARCS System Assessment & Implementation	38	1,840	1,902	-
Construct Bus Bay in Employee Parking Lot	-	657	200	-
Garage Atrium Canopy Replacement - 2014	8,799	-	1,201	-
License Plate Recognition System	-	-	50	-
Parking Garage Improvements 2013-2014	2,913	-	660	-
Rehabilitate Asphalt Lots - 2017	-	459	-	-
<i>Total Parking:</i>	<i>12,104</i>	<i>7,356</i>	<i>9,113</i>	<i>8,800</i>
Consolidated Snow Removal and Equipment Storage Facility	645	8,000	1,500	8,000
Replace or Update Security System	-	4,000	550	1,000
2018 SCBA Replacement	-	-	-	315
Radio System Upgrade	852	-	52	-
<i>Total Safety & Security:</i>	<i>1,497</i>	<i>12,000</i>	<i>2,102</i>	<i>9,315</i>
IMC - IW Pipe Replacement Program	-	-	-	500
Stormwater RFI Project	992	-	250	-
IMC - IW Tank 7 Replacement	-	-	200	-
<i>Total Environmental:</i>	<i>992</i>	<i>-</i>	<i>450</i>	<i>500</i>
Rehabilitate Airport Roads & Lots - 2016/2017	259	4,500	4,000	-
Rehabilitate Airport Roads & Lots - 2018	-	-	-	2,000
West Perimeter Road Bridge Repairs	-	-	75	450
<i>Total Road & Lots:</i>	<i>259</i>	<i>4,500</i>	<i>4,075</i>	<i>2,450</i>
Campus Fiber Repair/Development	26	1,500	2,774	-
Geographic Information System - 2016/2017	-	500	-	500
Replace Existing IAA Network	-	-	435	-
Computer, Server and Equipment Replacement Program (2017)	-	600	315	-
Capital Project Management System - Engineering	-	-	50	-
IAA Website Development	105	-	145	-
Computer, Server and Equipment Replacement Program (2016)	-	-	95	-
<i>Total IT:</i>	<i>131</i>	<i>2,600</i>	<i>3,814</i>	<i>500</i>
(2017) Snow Equipment Program	-	1,728	1,436	-
(2017) Vegetation Control Equipment Program	-	912	-	-
<i>Total Vehicle & Equipment:</i>	<i>-</i>	<i>2,640</i>	<i>1,436</i>	<i>-</i>
IND Terminal and Campus Wayfinding and Signage	-	-	202	1,000
Airport Asset Management Program	-	-	750	750
Advance Planning and Design - 2017	-	250	250	-
Capital Salaries	-	600	-	-
<i>Total Properties:</i>	<i>-</i>	<i>850</i>	<i>1,202</i>	<i>1,750</i>

Indianapolis Airport Authority
Capital Improvement Program 2018

PROJECT NAME	PRE-2017 ACTUAL COST	2017 BUDGET / MII	2017 FORECAST	2018 BUDGET
Old Parking Garage - Preservation Project	66	668	400	252
Demo Avis (Building #18) and Relocate	-	-	488	-
Hertz Renovation (Building #130)	-	-	39	229
Property - Branding of IND Campus	-	240	-	-
Property - Relocate Record Storage Create Temp Controlled Space for Air C	560	105	53	-
Cargo Building Expansion (Building #622)	-	-	221	2,147
Bldg 63 - Interior Space "White Box"	-	683	-	-
Bldg 60 - HVAC, Loading Dock, Parking Lot Lights, & Install Elevator	-	1,259	-	-
Tree and Stump Removal at IND	-	235	-	-
<i>Total Revenue Development:</i>	<i>626</i>	<i>3,190</i>	<i>1,201</i>	<i>2,628</i>
CEP - Cooling Tower Replacement	-	-	-	500
CEP - Pipe Arbor Insulation Replacement	-	878	915	-
CEP - Replacement of Stack Economizers Boilers	20	-	610	-
CEP - Replacement of IW's Supervisory Control and Data Acquisition System	16	-	522	-
Demolition of Building #500	-	-	-	186
Bldg 15 - Roof, Upgrade ADA & Fire Suppression	-	147	184	-
CEP - Boiler No. 2 Replacement	611	-	89	-
Bldg 27 - Hangar Door, HVAC, & Roof	-	300	-	-
<i>Total Properties:</i>	<i>647</i>	<i>1,325</i>	<i>2,320</i>	<i>686</i>
T-Hangar Rehabilitation - Metro	7	-	463	-
Self-Service Fuel System and Tank (equipment only) - Indy Regional	-	-	-	400
T-Hangar Rehabilitation - Indy Regional	6	-	344	-
Rehabilitate Parking Lot - Metro	-	270	-	-
Demolition of T-Hangars (Bldgs 103 - 106) - Eagle Creek	27	-	174	-
Rehabilitate Northwest T-Hangar Parking Lot - Eagle Creek	-	140	-	-
Acquire Land for Runway Extension - Hendricks Co.	-	400	-	-
Replace Doublewide Trailer with Permanent Building - Hendricks Co.	-	126	-	-
<i>Total Relievers:</i>	<i>40</i>	<i>936</i>	<i>981</i>	<i>400</i>
Total IAA Activities	18,676	41,282	34,081	29,186
<u>IMC Activities</u>				
IMC - Hangar Door Rehabilitation 1, 2, & 3	-	-	-	700
IMC - Hangar Door Rehabilitation - Motor & Gearbox	-	-	-	412
IMC - Hangar Door Rehabilitation 5 and 6	21	-	-	-
IMC - Recoating the IW Tanks & Enclosure Containment Area	161	-	544	-
IMC - Fire Alarm Panel Replacements	-	494	-	-
IMC - Carpet Installation for Tenant	-	-	170	-
IMC - Building Management System (BMS)	-	-	100	67
IMC - Hangar 7 - Hangar Door Rehabilitation	202	-	163	-
Total IMC Activities	384	494	977	1,179
<u>CFC Funded Activities</u>				
Construct North Service Road and Convert North Access Road to Tug Road	-	-	-	306
Parking Master Plan Implementation	128	2,400	1,000	-
*** Non-CFC funded portion of Parking Master Plan Implementation	(128)	(2,400)	(1,000)	-
Total CFC funded Activities	-	-	-	306
<u>Land Activities</u>				
Noise & General Airport System Land Acquisition	1,907	1,000	-	1,000
Land Purchase - Seerley Basin	-	-	3,000	-
Bethel Cemetery Relocation	-	-	250	2,522
Total Land Activities	1,907	1,000	3,250	3,522

Indianapolis Airport Authority

Capital Improvement Program 2018

PROJECT NAME	PRE-2017 ACTUAL COST	2017 BUDGET / MII	2017 FORECAST	2018 BUDGET
Debt Funded Activities				
Stormwater & Deicing - Seerley Creek Basin Relocation	-	-	250	27,470
Stormwater & Deicing Controls Capacity West Basin	-	-	2,600	12,150
Total Debt Funded Activities	-	-	2,850	39,620
TOTAL ENTERPRISE ACTIVITIES	20,967	42,776	41,158	73,813
AIP PROJECTS DETAIL				
Grant Funded Activities				
Shuttle Bus Replacement (Parking) - 2017 Electric Buses	3	3,390	5,497	-
Rehab of RW 14-32 and TWs M and G, with LED signage and lighting for 1-	-	-	500	500
Rehabilitate Taxiway H - H1 and H2	2,677	6,100	5,081	-
Shuttle Bus Replacement (Parking) - 2018	-	-	-	2,250
High Speed Taxiway Exit C4 Reconfiguration, with LEDs	-	7,116	-	-
High Speed Taxiway Exit C7 Reconfiguration, with LED's	-	-	-	3,612
Rehabilitate Taxiway C and Shoulders	342	2,400	500	2,958
Rehabilitate Taxiway B (Phase 2)	4,452	-	2,548	-
TW Connector Removal TW M2, H (between 14/32 & M), & J (between M &	-	-	-	125
Replace Lighting with LEDs on Taxiway H - H1 and H2	-	831	1,950	-
Deicing Control Facilities Improvements - 2016	380	-	957	-
Replace Lighting Taxiway C w/ LED	-	-	275	1,425
2018 ARFF 3000 Replacement	-	1,000	-	1,000
Sustainability Energy Management Plan	-	-	250	750
Pavement Removal IMC TW A7 Connector	-	-	-	80
Deicing Control Facilities Improvements - 2018	-	446	-	446
Deicing Control Facilities Improvements - 2017 (Mars Ditch)	-	-	446	-
Airfield Pavement Evaluation and Management Plan Update - 2015	-	-	200	-
Stormwater & Deicing Controls & Capacity - Ph 2B (3)	6,124	-	151	-
Master Plan for IND	1,070	-	50	-
<i>Total Programmed:</i>	<i>15,048</i>	<i>21,283</i>	<i>18,405</i>	<i>13,146</i>
Re-Groove Runway 23L	-	-	-	480
<i>Total Likely:</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>480</i>
IND BHS Recapitalization	-	-	550	8,505
<i>Total Contingent - BHS:</i>	<i>-</i>	<i>-</i>	<i>550</i>	<i>8,505</i>
Voluntary Airport Low Emission (VALE) 2018	-	-	-	1,360
<i>Total Contingent:</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1,360</i>
(2018-2022) Snow Equipment Program	-	-	-	797
<i>Total Low Priority:</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>797</i>
Rehabilitate, Relocate & Widen Taxiway B - Eagle Creek	-	1,630	172	2,828
Rehabilitate Northwest T-Hangar Taxilanes Phase I & II - Eagle Creek	-	-	-	442
Airport Layout Plan (ALP) Update - Eagle Creek	248	40	152	-
Rehabilitate & Extend Taxiway A - Metro	-	-	200	1,200
Install Perimeter Fence Phase III - Metro	-	500	-	-
Rehabilitate Apron Pavement - Metro	25	540	591	-
Replace Airfield Lighting - Metro	78	-	972	-
Rehabilitate East & West Apron Pavement - Indy Regional	48	726	52	1,180
Joint Replacement and Repairs Runway 16-34 - Indy Regional	41	-	400	14
Terminal Building - Hendricks	-	-	-	120
Update Airport Layout Plan (ALP) - Hendricks Co.	-	120	-	-
Runway & Taxiway Pavement Crack Repair - Hendricks	-	-	530	-
Replace Lighting on Taxiway B - Indy Regional	-	470	-	-
Runway 16-34 Electrical Upgrades - Indy Regional	3	620	-	-
Replace Aviation Fuel Farm - Heliport	817	-	16	-
Structural Slab Replacement - Heliport	1,167	-	317	-
<i>Total Reliever:</i>	<i>2,427</i>	<i>4,646</i>	<i>3,402</i>	<i>5,784</i>
TOTAL GRANT/AIP FUNDED ACTIVITIES	17,475	25,929	22,357	30,072
GRAND TOTAL	38,442	68,705	63,515	103,885

Airport System Fund Revenues - Appropriated Budget



Indianapolis Airport Authority

	Ordinance 2-2016	Ordinance 1-2017	2018 vs 2017 Budget Ordinance	
	2017 Budget	2018 Budget	Increase / (Decrease) \$	Variance %
Airline Total	46,926,000	47,859,000	933,000	2.0%
NON-AIRLINE				
AIRFIELD				
Fuel Sales	220,000	240,000	20,000	9.1%
Ground Handling / Other	148,031	65,000	(83,031)	-56.1%
RETAIL				
Food & Beverage	5,445,773	5,786,941	341,168	6.3%
News & Gifts	1,136,536	1,171,452	34,916	3.1%
Specialty Shops	1,324,263	1,387,592	63,329	4.8%
Advertising	1,054,866	1,127,971	73,105	6.9%
Car Rental	10,122,285	10,671,162	548,877	5.4%
Other	1,340,869	1,367,961	27,092	2.0%
PARKING & GTC				
Parking	46,654,293	48,019,748	1,365,455	2.9%
Ground Transportation Center	845,534	1,087,148	241,614	28.6%
PROPERTIES				
Freight Buildings	953,855	1,082,149	128,294	13.5%
Ground Leases	5,833,366	6,039,235	205,869	3.5%
Hangars / Other Buildings	14,946,759	15,419,327	472,568	3.2%
RELIEVERS	3,049,164	3,047,644	(1,520)	0.0%
Indianapolis Maint. Center (IMC)	7,794,848	7,891,288	96,440	1.2%
OTHER INCOME	72,681	230,203	157,522	216.7%
Total Non-Airline Revenue	100,943,123	104,634,821	3,691,698	3.7%
OTHER REVENUES				
Special Leases - UAL	16,613,719	13,300,111	(3,313,608)	-19.9%
GASB Adjustment	(109,384)	(99,761)	9,623	-8.8%
Operating Grant Revenue	721,000	500,000	(221,000)	-30.7%
Passenger Facility Charges (PFC's)	15,915,760	17,238,000	1,322,240	8.3%
Customer Facility Charges (CFC's)	6,702,440	7,284,900	582,460	8.7%
Interest	3,747,967	4,252,800	504,833	13.5%
TOTAL OPERATING REVENUE	191,460,625	194,969,871	3,509,246	1.8%
LESS				
Inter-fund Transfers	(19,747,967)	(20,252,800)	(504,833)	2.6%
TOTAL (net of transfers)	171,712,658	\$174,717,071	\$3,004,413	1.7%

Capital Improvement Fund - Source of Funds Projections



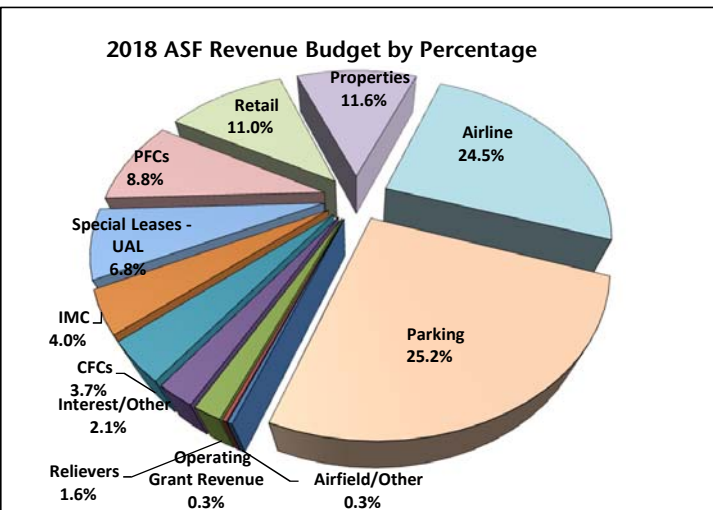
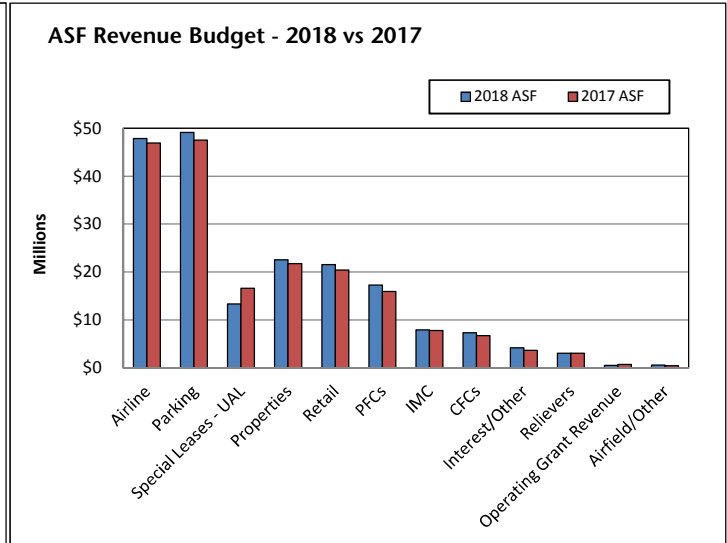
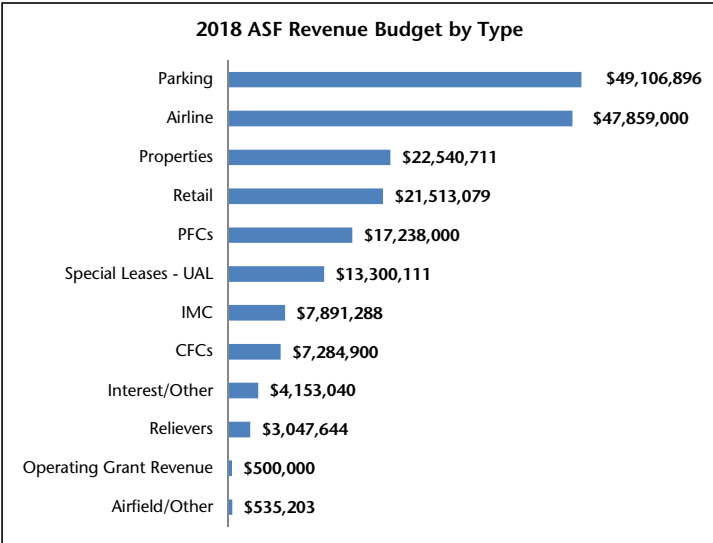
Indianapolis Airport Authority

	Ordinance 2-2016 2017 Budget	Ordinance 1-2017 2018 Budget
Federal and State Grants	\$9,843,428	\$ 9,843,428
Interest	3,747,967	4,252,800
Operating Fund Transfers	16,000,000	16,000,000
Financing	-	39,620,000
Proceeds from Land & Property Sales	1,400,000	5,669,000
Capital Improvement Funds	48,008,605	34,614,772
TOTAL	\$79,000,000	\$ 110,000,000



	Ordinance 2-2016 2017 Budget	Ordinance 1-2017 2018 Budget
Airline	\$ 46,926,000	\$ 47,859,000
Airfield	368,031	305,000
Retail	20,424,592	21,513,079
Parking	47,499,827	49,106,896
Properties	21,733,980	22,540,711
Relievers	3,049,164	3,047,644
Indianapolis Maintenance Center (IMC)	7,794,848	7,891,288
Other Income	72,681	230,203
Special Leases - UAL	16,613,719	13,300,111
Operating Grant Revenue	721,000	500,000
Passenger Facility Charges (PFCs)	15,915,760	17,238,000
Customer Facility Charges (CFCs)	6,702,440	7,284,900
Interest/Other	3,638,583	4,153,040
TOTAL OPERATING REVENUE	191,460,625	194,969,871
Exclude Pass-through (non-cash amount)	(16,613,719)	(13,300,111)
TOTAL OPERATING REVENUE after non-cash items *	\$ 174,846,906	\$ 181,669,760

* From this total there is an inter-fund transfer of \$20.3m in 2018 & \$19.8m in 2017 for the Capital Requirement.



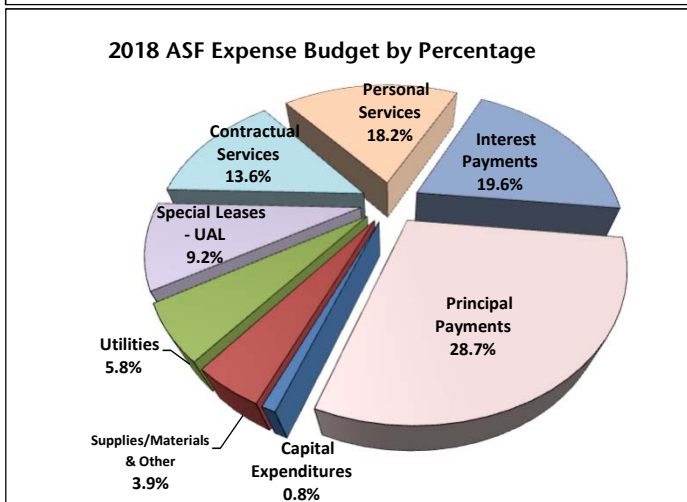
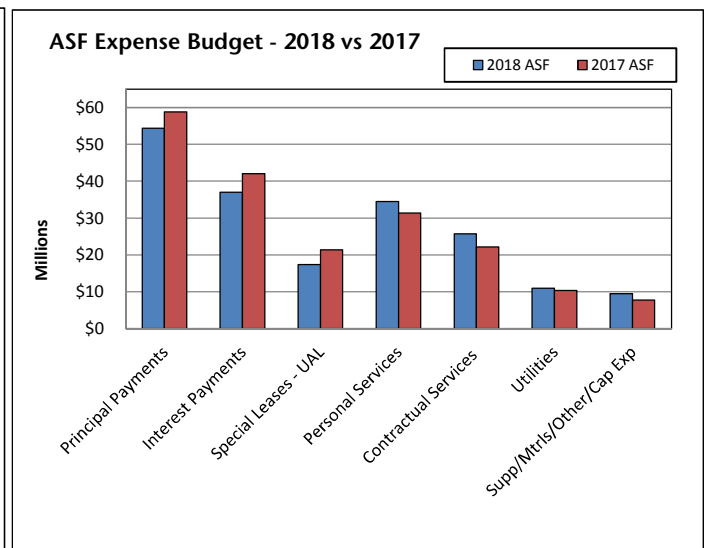
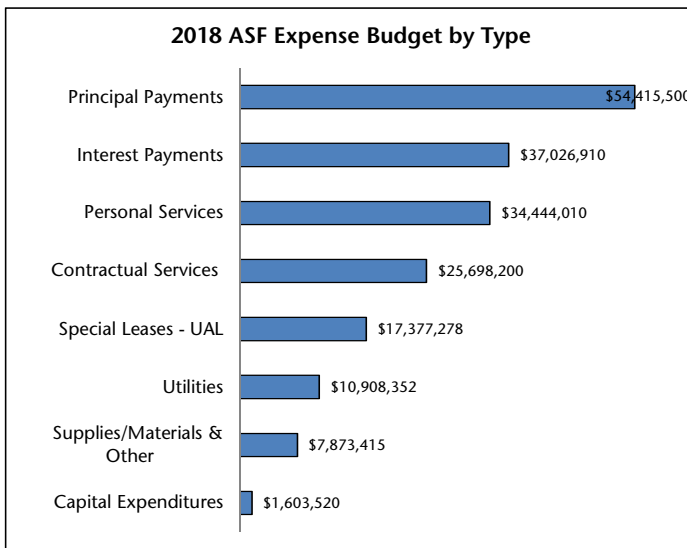
Management Comments

- Airline revenues are planned to increase \$0.9 million (2%) attributable to a projected increase in landed weights of 4.1% and an increase in landing fee rates (\$1.85 vs \$1.70) offset by a decrease in terminal rental rates (\$92.78 vs \$98.22).
- Retail revenue is anticipated to increase \$1.1 million (5.3%) primarily attributable to a projected 5.8% increase in the number of passengers in 2018 compared to the 2017 budget.
- Parking revenues are planned to increase \$1.6 million (3.4%) based on actual yield trends and the increase in passengers.
- Special Leases-UAL is a pass-through and is planned to decrease \$3.3 million (19.9%) due to a change in the debt amortization. There is a corresponding decrease in debt services.
- Passenger Facility Charges are planned to increase \$1.3 million (8.3%) based on the planned increase in passenger numbers.

Analysis of Airport System Fund (ASF) Expenses - 2018 Budget



	Ordinance 2-2016 2017 Budget	Ordinance 1-2017 2018 Budget
OPERATING AND MAINTENANCE:		
Personal Services	\$ 31,334,093	\$ 34,444,010
Utilities	10,337,234	10,908,352
Contractual Services	22,112,809	25,698,200
Supplies & Materials	5,737,169	6,068,550
Other Charges	1,689,287	1,769,155
Capital Expenditures	233,000	1,603,520
Environmental Remediation	34,330	35,710
Total Operating Expenses	71,477,922	80,527,497
DEBT SERVICE:		
Special Leases - UAL	21,333,708	17,377,278
Interest Payments	42,062,620	37,026,910
Principal Payments	58,823,000	54,415,500
Total Debt Service	122,219,328	108,819,688
Capital Program Funding	16,000,000	16,000,000
TOTAL AIRPORT SYSTEM FUND APPROPRIATION	\$ 209,697,250	\$ 205,347,185
Exclude Pass-through (non-cash amount)	(21,333,708)	(17,377,278)
Exclude Variable Debt reserve (non-cash amount)	(11,903,000)	(11,918,000)
Exclude Other Debt Service Amortization (non-cash amount)	570,419	3,231,297
TOTAL AIRPORT SYSTEM FUND after non-cash items	\$ 177,030,961	\$ 179,283,204



Management Comments

- Personal Services increase of \$3.1 million (9.9%). Annual merit and benefit 2.6%, total compensation program 3.2%, as well as planned increases in full time operational staff 4.1%.
- Contractual Services projected to increase \$3.6 million (16.2%) due to planning and development initiatives and repairs and maintenance in support of aging buildings/equipment.
- Operating Capital Expenditures increased \$1.4 million relating to the investment in preserving existing assets.
- Special Leases - UAL is a pass-through and is planned to decrease \$4.0 million (18.5%) due to a change in the debt amortization.
- 2018 budgeted debt service represents scheduled interest and principal payments reflecting lower interest and principal payments than prior year.