

BOCA RATON AIRPORT AUTHORITY

# OPERATING AND CAPITAL BUDGETS



FISCAL YEAR

**2019**



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# Boca Raton Airport Authority

## Executive Summary

As required in the Special Act, the Airport Authority adopts an operating and capital budget by September 30<sup>th</sup> of each year. The 2019 Operating, Capital Outlay, and Capital Improvement Plan Budgets cover the operation, maintenance, and improvement costs necessary to operate the Boca Raton Airport and construct planned infrastructure projects.

The Airport Authority sustains the Airport's operations by generating revenue from land leases and fuel fees. The Operating and Capital Budgets for FY 2019 reflect an increase in revenues resulting from expected sustained economic activity and growth in business and recreational activity in the local area, which will continue to boost fuel sales.

Total budgeted operating revenues are expected to total \$4,124,425. This is an increase of \$424,990 or 11.5% compared with the 2018 budget and a \$97,102 or 2.4% increase compared with current year projected.

The majority of Airport revenue, an estimated 49%, is expected to be generated by non-aviation leases with Boomers, Cinemark, and City Furniture. Aviation land rent and fuel flowage fees make up 26% and 16% of total revenue respectively, generated by the Atlantic Aviation and Boca Aircraft Owners leases and the Signature Flight Support sublease with Premier Aviation.

The BRAA opened the US Customs and Border Protection Facility in May 2018. The BRAA is responsible for all maintenance and operating costs of the facility and must reimburse the federal government for all staffing and data processing costs. Service is provided on a user fee basis to help the Authority offset these costs.

Total operating expenses before depreciation are budgeted at \$3,185,957. This is an increase of \$137,022 or 4.5% over current year budget and \$672,207 or 26.7% compared with 2018 projected. The majority of this increase is attributable to grant reimbursable, project-related expenses and expenses required for the operation of the Customs Facility.

Based on anticipated revenues of \$4,124,425 and proposed expenses before depreciation of \$3,185,957, operating income before depreciation is budgeted at \$938,468. This is \$287,968 or 44.3% more than current year budget and \$575,105 or 38.0% less than current year projections.

The 2019 Operating Budget also includes \$405,932 in non-operating revenue from grant reimbursements. The resulting income before capital contributions from operating and non-operating revenue minus expenses, not including depreciation, would total \$1,344,401 in 2019.

### 2018 Budget vs. 2019 Proposed Budget

	2018 Budget	2019 Proposed Budget	Change from Prior Year	
<b>Total Operating Revenues</b>	\$3,699,435	\$4,124,425	\$424,990	11.5%
<b>Total Operating Expenses</b>	\$3,048,935	\$3,185,957	\$137,022	4.5%
<b>Operating Income Before Depreciation</b>	\$650,500	\$938,468	\$287,968	44.3%

### 2018 Projected vs. 2019 Proposed Budget

	2018 Projected	2019 Proposed Budget	Change from Prior Year	
<b>Total Operating Revenues</b>	\$4,027,323	\$4,124,425	\$97,102	2.4%
<b>Total Operating Expenses</b>	\$2,513,749	\$3,185,957	\$672,207	26.7%
<b>Operating Income Before Depreciation</b>	\$1,513,573	\$938,468	\$(575,105)	-38.0%

The 2019 Capital Improvement Plan Budget includes projects totaling \$1,400,000. FAA and FDOT grant contributions are projected to total \$1,060,000. The Airport Authority contribution is projected to total \$340,000.

The proposed Fiscal Year 2019 Budget includes capital outlays of \$62,500 for the replacement of an airport vehicle that was included in the 2018 budget but deferred and purchase of airfield operations equipment.

Based on the proposed Fiscal Year 2019 Operating, Capital Outlay, and Capital Improvement Plan Budgets, the projected Airport Reserve Balance is \$8,614,591.

A summary of Key Business Objectives completed in 2018 and Business Objectives planned for 2019 is also included in the budget report.

## Management Recommendation

On behalf of Boca Raton Airport Management, I respectfully present the Fiscal Year 2019 Operating, Capital Outlay, and Capital Improvement Plan Budgets.

Clara Bennett  
Executive Director  
August 15, 2018

## Introduction

The Boca Raton Airport (BCT) is publicly-owned by the State of Florida and is designated as a general aviation transport facility, serving the corporate, recreational, and flight training needs of the region. It is located on 220 acres in Boca Raton off of I-95, between Spanish River Boulevard and Glades Road. The Airport's runway 5-23 is 6,276 feet long and 150 feet wide.

BCT is home to approximately 270 based aircraft and has an estimated \$173 million economic impact on the local economy annually. The Airport is also home to more than 50 aviation and non-aviation businesses employing over 1,400 people.

### The Boca Raton Airport Authority

Boca Raton Airport is operated by the Boca Raton Airport Authority (BRAA), a seven-member Board established by the Florida Legislature as an Independent Special District that is not part of any other unit of local government. Five members are appointed by the Boca Raton City Council and two are appointed by the Palm Beach County Commission. Each Board member serves a term of two years.

The BRAA was established to operate, maintain, and develop the Boca Raton Airport in a safe, professional manner; enhance services and facilities available to the Airport's tenants and users; improve the Airport's relationship with surrounding communities; eliminate financial subsidies by local taxpayers and the Board of Trustees; and limit the potential for operational liability by the State of Florida.

BRAA developed a Strategic Business Plan that articulated the Airport's mission to be a world class public use general aviation facility that benefits our growing business and regional communities. Its mission is to operate a first-class public use general aviation facility dedicated to embracing its core values; promoting safety, efficiency, and environmental excellence; and advancing aeronautical and economic benefits to our business and regional communities.

The Airport's Strategic Goals are to:

1. Effectively Operate in a Changing Government Environment
2. Enhance Financial Performance
3. Strengthen Community Relations
4. Mitigate Noise Impacts
5. Explore Land Opportunities

The Airport Authority Board held a Visioning Workshop in January 2016 that affirmed these goals and outlined objectives to meet short-term needs.

## Boca Raton Airport

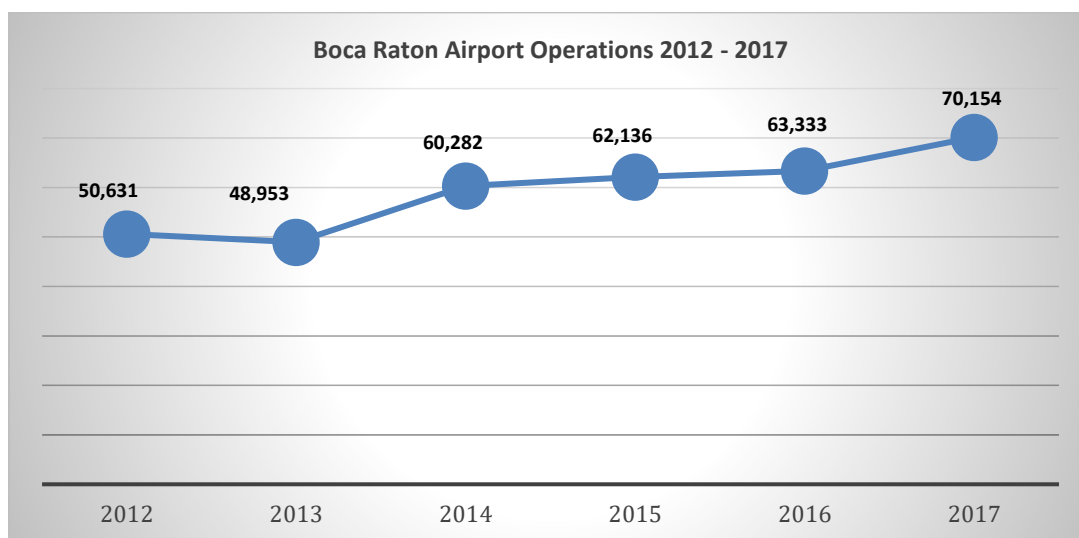
The Airport Authority sustains the Airport's operations by generating revenue from land leases and fuel fees, requiring no funding from property taxes or general funds of local governments. Operating surpluses are reinvested in improvements included in the Airport Capital Improvement Program and are used to match FAA Airport Improvement Program and Florida Department of Transportation Aviation Work Program grants.

BCT is categorized as a general aviation reliever airport by the Federal Aviation Administration. Reliever airports are designated by the FAA to relieve congestion at commercial service airports and to provide improved general aviation access to the overall community.

In May 2012, the FAA released an 18-month study titled General Aviation Airports: A National Asset. This study highlights the role general aviation airports play in the aviation system and in meeting important social and community needs. The study also aligned the GA airports into four categories – national, regional, local, and basic – based on their existing activity levels and number and types of based aircraft. Boca Raton Airport was identified as a national airport, meaning that it serves national and global markets with very high activity levels by jets and multiengine propeller aircraft. National airports serve the community by providing a broad spectrum of services including emergency preparedness and response, critical community access, all types of aviation functions, commercial industrial and economic activities, and connectivity to major destinations and special events.

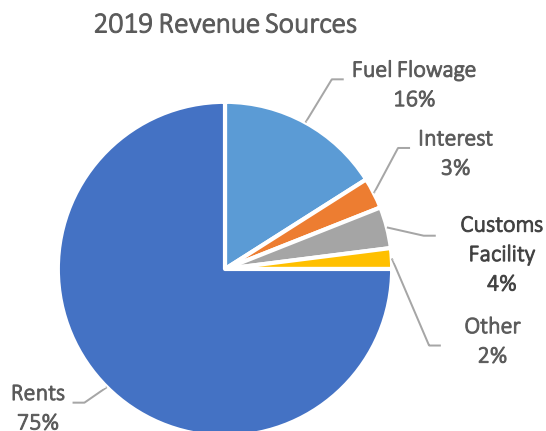
## Air Traffic Activity

Airport traffic increased by 11% in 2017 compared with 2016 for a total of 70,154 takeoffs and landings. This has been a consistent trend for the past four years as a result of improved economic activity. Operations are expected to continue to increase in 2019 as air traffic related to local business and leisure activity continues to increase and with anticipated Presidential visits during the winter months.



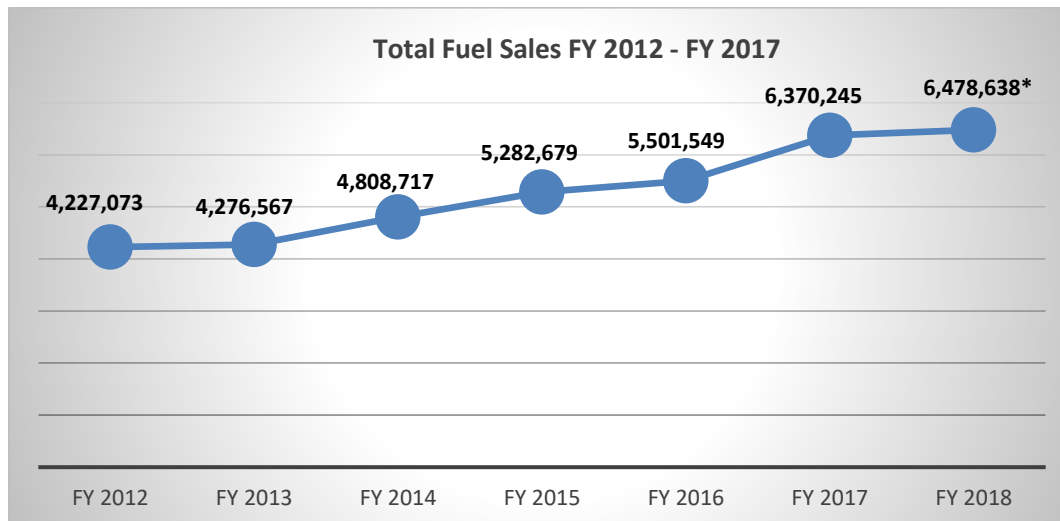
## Major Sources of Revenue

The majority of Airport revenues, approximately 75%, are generated by the Authority's six land leases: Atlantic Aviation, Premier Aviation, Boca Aircraft Owners, Boomers, Cinemark and City Furniture. Fuel flowage fees make up the second largest source of revenue at approximately 16% of total revenue. Other sources include hangar rents, interest income, and rental car fees. The Airport Authority is also planning for revenue generated from the first full year of operation of the US Customs Facility in 2019. These revenues will help offset operating costs of the facility.

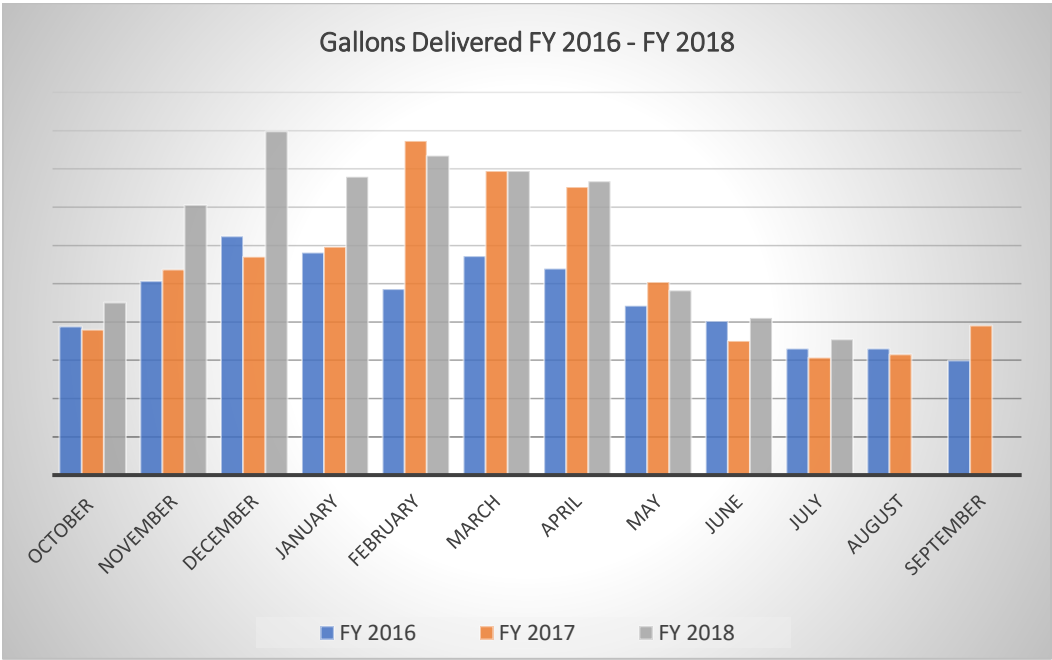


## Fuel Sales

Fuel sales totaled 6,478,638 in fiscal year 2018 through July 2018 compared with 6,370,245 for the 12 months of fiscal year 2017. The increase in fuel sales volume is attributable to increased demand during Q2 and Q3 resulting from positive economic conditions and the Presidential TFRs.



\* Through July 2018







# Budget Approach

## *Budget Process:*

As required in the Special Act, the Airport Authority adopts an operating and capital budget by September 30<sup>th</sup> of each year. The budget covers the operation, maintenance, and improvement costs necessary to operate the Boca Raton Airport and construct planned infrastructure projects.

In accordance with the Airport Authority's Bylaws, Airport Management prepares the annual budget based on a thorough analysis of anticipated operational, contractual, and programmatic needs for the coming year. Airport Management utilizes a zero-based budget approach in which each line item is evaluated on its own merit every year. Each department prepares individual line item requests by reviewing planned work goals and identifying resources necessary to achieve the Airport's strategic priorities, meet the day-to-day needs in operating the Airport, and implement the required Airport infrastructure improvements.

This structured process has built a culture of cost management as each team member strives to reduce costs and maximize efficiency while enhancing service levels for Airport tenants and the community.

## *Budget Overview:*

The Boca Raton Airport Authority functions as an enterprise fund in governmental accounting. Enterprise Funds function as business-like funds and provide goods or services to the general public for a fee, with the purpose of being self-supporting. In accordance with standards for Enterprise Funds and similar to businesses, the Authority's financial records are maintained on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States. Enterprise Funds are also required to record expenses not normally recorded by general funds. Under this method, revenues are recorded when earned and expenses are recorded when the liability is incurred and all assets and liabilities are included on the balance sheet.

Enterprise Funds distinguish operating revenue and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The operating revenues of the Airport Authority primarily consist of rent and fuel flowage fees. Operating expenses include the cost of services, administrative expenses, and depreciation of capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

Capital assets which include property, plant and equipment, and infrastructure assets such as pavement rehabilitation, the Blast Fence, Perimeter Road, and the EMAS System, are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Depreciation is recorded using the straight-line method over the estimated useful life of the asset or, in the case of leasehold improvements, the shorter of useful life or lease term. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's useful life are not capitalized.

The 2019 budget reflects a 10% increase in depreciation compared with 2018. Below is a summary of 2019 budgeted depreciation by capital asset type. The categories showing zero are not being depreciated.

Buildings	\$342,051	21%
Infrastructure	\$825,936	50%
Machinery, Equipment, and Fixtures	\$187,468	11%
Leasehold Improvements	\$286,196	17%
Land Avigation Easement	\$-	0%
Avigation Easement	\$-	0%
Procurement Fee	\$-	0%
Projects In Progress	\$-	0%
<b>Total Depreciation</b>	<b>\$1,641,650</b>	



# Current Year Projected Actuals

## *Current Year Operating Revenues:*

Operating Revenues for the 2018 Fiscal Year (current year) are projected to total \$4,027,323. This is an increase of \$327,888 or 8.9% compared with 2018 budgeted revenues and a \$401,761 or 11.1% increase compared with 2017 (prior year) actual revenues

Some key areas comprising the overall increase in operating revenues in the current year are:

- Rent revenue increased by \$103,739 or 3.5% over prior year and \$44,162 or 1.5% compared with current year budget as a result of lease adjustments.
- Fuel Flowage Fees are up by \$259,870 or 46.1% over prior year and \$349,000 or 73.5% over current year budget primarily due the increased activity related to increased air traffic and the temporary flight restrictions.
- Interest Revenues are projected to total \$76,000, an increase of \$17,500 or 29.9% compared with budget and a 45.8% increase compared with 2017 actuals as a result of rising interest rates.
- Customs Facility revenue is projected at \$25,000, which is \$83,000 or 76.9% less than budget due to the delayed opening of the facility.

## *Current Year Operating Expenses:*

Operating Expenses before depreciation are projected to total \$2,513,749 at the end of Fiscal Year 2018. This is a 17.6% decrease compared with budget and a 5.3% increase compared with 2017 actuals.

Some key areas comprising the overall decrease in operating expenses in the current year compared to budget are:

- Personnel Expenses are down by \$37,456 or 3.8% compared with budget. This is as a result of a vacancy incurred during Q1.
- Professional Services are projected to decrease by 28.2% compared with budget and 35.2% compared with 2017 actuals as a result of reductions in legal expenses and consulting fees.
- Airport Operations and Maintenance expenses are projected to decrease by \$82,405 or 17.4% compared with budget as a result of reduced airfield repair costs.

- CBP Facility Expenses are down \$89,800 or 36.1% to budget, due to delayed opening of the facility.
- Insurance expenses are down by \$31,806 or 17.4% compared with budget as a result of reduced premiums and the decision to not purchase an insurance policy for the EMAS systems.
- Marketing and Special Events expenses are projected to increase by \$21,420 or 11.8% compared with budget due to special promotional activities related to the Airport's 70th Anniversary Celebration and the increased donation to the Civil Air Patrol.

Included in current year operating expenses are project expenses totaling \$219,495 associated with the SMS Gap Analysis, the 3700 Building Assessment, ATCT Rehabilitation Phase 2, and the Facilities Management Plan. These expenses are offset by FDOT Operating Grants, which fund 80% of the total project costs.

#### *Current Year Operating Income:*

The overall operating income (surplus of revenues minus expenses) before depreciation is projected to total \$1,513,573, which is \$863,073 or 132.7% higher than budgeted as a result of higher revenues from fuel flow fees and reduced operating expenses related to the timing of certain construction projects. Compared with 2017 actuals, operating income before depreciation is projected to increase by \$274,942 or 22.2%.

An additional \$175,596 is projected as non-operating revenue resulting from grant reimbursements for project expenses included in the operating budget. The resulting income before capital contributions, not including depreciation, totals an estimated \$1,689,169 in 2018.



# 2019 Proposed Budget

## *2019 Operating Revenues:*

Operating Revenues are expected to total \$4,124,425 in 2019. This is an increase of \$424,990 or 11.5% compared with current year budget and \$97,102 or 2.4% compared with current year projected. This budgeted increase in revenues is based on the following key assumptions:

- Budgeted rent revenue is expected to increase by \$78,240 or 2.6% compared with 2018 budget and \$34,078 or 1.1% compared with current year projected due to lease adjustments in accordance with lease terms.
- Fuel flow revenue is budgeted at \$700,000, an increase by \$225,000 or 47.4% compared with current year budget due to current trends in fuel sales.
- Customs Facility Revenue is budgeted at \$165,000, based on revenues collected during the first two months of operation.

## *2019 Operating Expenses:*

Operating expenses before depreciation for 2019 are budgeted at \$3,185,957. This is an increase of \$137,022 or 4.5% over current year budget and \$672,207 or 26.7% compared with year-end projections. This increase is attributable to grant reimbursable expenses for airport improvements and operation of the Customs facility for the first full year.

Expenses for the coming year are budgeted based on the following key assumptions:

- Personnel expenses are expected to increase by \$107,942 or 10.8% compared with budget and 15.2% compared with current year projected due to reduced attrition savings, the addition of a part time finance position, a 2.8% CPI salary adjustment, and a 5% rate increase in health insurance costs.
- Professional services are reduced by \$41,300 or 18.8% compared with the 2018 budget and increased by \$20,700 or 13.1% compared with 2018 projected to account for anticipated lease negotiations.
- Airport operations expenses are reduced by \$28,609 or 6.0% compared with 2018 budget to more accurately reflect actual expenses incurred in recent years.
- Insurance expense is decreased by \$29,981 or 16.4% compared with 2018 budget with the elimination of the EMAS insurance policy.

- Air Traffic Control Tower expenses are decreased by \$7,632 compared with current year budget.
- Customs facility expenses are budgeted at \$317,576 based on the required reimbursement to the federal government for the costs of the Customs Officer and data processing plus building operating costs.
- Marketing and Special Event expenses are expected to increase by \$1,622 compared with current year budget and decrease \$19,798 compared with current year projected as activities related to the 70<sup>th</sup> Anniversary Celebration wind down.
- Planning, design, and construction project expenses are budgeted at \$507,415. These projects are eligible for 80% reimbursement through Florida Department of Transportation grants.

#### *2019 Operating Income:*

Based on anticipated revenues and operating expenses, operating income before depreciation is budgeted at \$938,468, which is \$287,968 or 44.3% more than current year budget and \$575,105 or 38.0% less than current year projections.

# 2019 Proposed Operating Budget

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Change from 2018 Projected	
REVENUES SOURCES						
Rent Revenue	\$2,925,533	\$2,985,111	\$3,029,273	\$3,063,351	\$34,078	1.1%
Fuel Flowage Fees	564,130	475,000	824,000	700,000	(124,000)	-15.0%
Interest Income	52,115	58,500	76,000	120,000	44,000	57.9%
Customs Facility Revenue	-	108,000	25,000	165,000	140,000	560.0%
Other Revenue	83,783	72,824	73,050	76,074	3,024	4.1%
Total Revenue	3,625,562	3,699,435	4,027,323	4,124,425	97,102	2.4%
OPERATING EXPENSES						
Personnel Expenses	900,246	996,778	959,323	1,104,721	145,398	15.2%
Professional Services	243,705	219,800	157,800	178,500	20,700	13.1%
Office Operating Expenses	229,555	241,679	234,449	248,985	14,536	6.2%
Airport Operations	406,629	474,820	392,415	446,211	53,795	13.7%
Insurance Expense	136,837	183,128	151,323	153,147	1,824	1.2%
ATCT Facility	44,285	54,432	37,867	46,800	8,933	23.6%
Customs Facility	120,750	248,478	158,678	317,576	158,898	100.1%
Marketing & Special Events	150,346	180,980	202,400	182,602	(19,798)	-9.8%
Projects	154,577	448,839	219,495	507,415	287,920	131.2%
Total Operating Expenses	2,386,930	3,048,935	2,513,749	3,185,957	672,207	26.7%
Total Operating Income Before Depreciation	1,238,631	650,500	1,513,573	938,468	(575,105)	-38.0%
Depreciation	1,476,023	1,486,832	1,486,832	1,641,650	154,818	10.4%
Net Operating Income/(Loss)	(237,392)	(836,332)	26,741	(703,182)	(729,923)	-2729.6%
Non-Operating Revenues	123,662	359,071	175,596	405,932	230,336	131.2%
Income before Capital Contributions	(113,730)	(477,261)	202,338	(297,250)	(499,587)	-246.9%
Capital Contributions from State and Federal Grants	6,698,451	3,648,160	1,062,074	1,060,000	(2,074)	-0.2%
Change in Net Position	\$6,584,721	\$3,170,899	\$1,264,412	\$762,750	\$(501,661)	-39.7%



# 2019 Proposed Capital Outlays

The proposed Fiscal Year 2019 Budget includes capital outlays of \$62,500 for the replacement of an airport vehicle that was included in the 2018 budget but deferred. The cost of the vehicle replacement will be off-set by proceeds from the disposition of the asset. Airport Operations is also requesting to purchase a fueling trailer for use in filling standby generators at the electrical vault, Air Traffic Control Tower, Airport Administration Building, and the Customs facility and for fueling the incinerator at Customs. Also included is the purchase of fans for use in the maintenance bay and during special events.

## 2019 Proposed Capital Outlays

Description	Proposed Budget
Furniture & Fixtures	-
Airfield & Office Equipment	18,000
Information Systems Equipment	-
Airport Vehicles	44,500
<b>Total Capital Outlay</b>	<b>\$62,500</b>





# 2019 Proposed Capital Improvement Plan

The Capital Improvement Plan (CIP) for 2019 includes projects for improving Airport Road including planning, design, and construction of improvements to address road surface issues and enhance landscape, lighting, signage and pedestrian safety.

The CIP also includes design and construction of drainage improvements and Phase I implementation of a Geographic Information System.

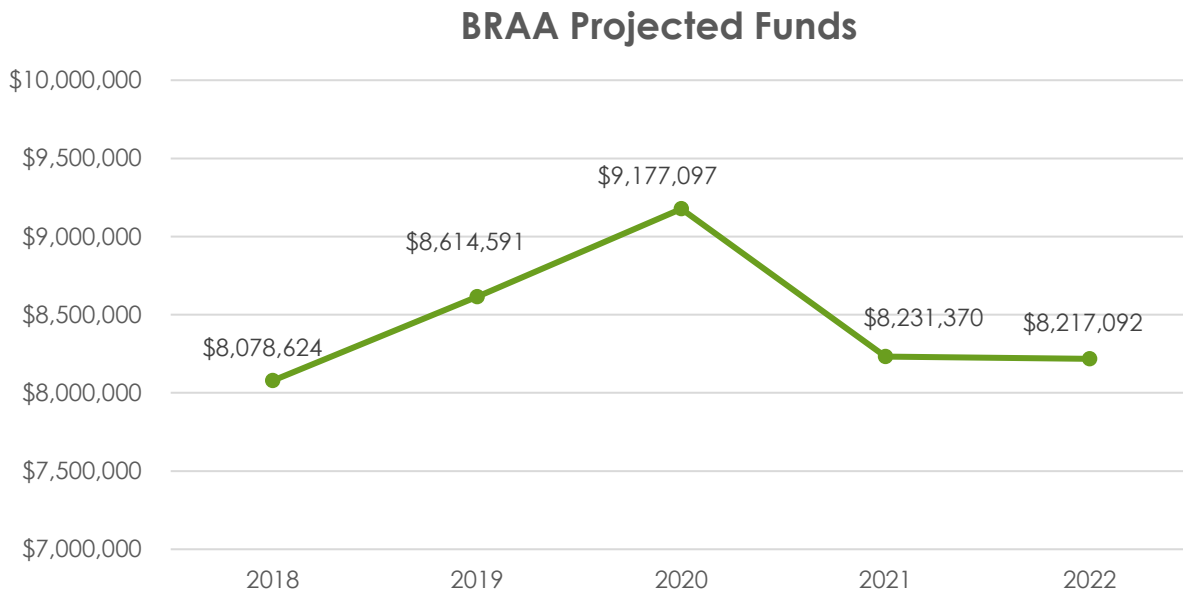
## Proposed Fiscal Year 2019 CIP

Description	FAA	FDOT	Local	Total
Storm Drainage System Upgrades	\$150,000	\$150,000	\$150,000	\$450,000
Geographic Information System Implementation (Phase 1)	-	80,000	20,000	100,000
Landside Lighting and Signage Replacement	-	400,000	100,000	500,000
Landside Beautification and Pedestrian Access Improvements	-	280,000	70,000	350,000
<b>Total</b>	<b>\$150,000</b>	<b>\$910,000</b>	<b>\$340,000</b>	<b>\$1,400,000</b>



# 2019 Projected Reserve Balance

Based on the proposed Fiscal Year 2019 Operating, Capital Outlay, and Capital Improvement Plan Budgets, the projected Airport Reserve Balance is \$8,614,591. This represents an increase of \$535,967 compared with Fiscal Year 2018 projected year-end balances.





# BRAA Business Objectives

The Airport Authority's Mission and Vision drive the Airport's Strategic Plan and identify five strategic focus areas that are used to align annual business objectives and actions. These strategic goals are:

## **Effectively Operate in a Changing Government Environment**

Prepare for and respond to changes in federal, state, and local governments.

## **Enhance Financial Performance**

The BRAA must sustain existing and create new revenue streams to maintain a positive cash flow. Additionally, the BRAA will continue to secure ongoing federal and state funding to support its Capital Improvement Program.

## **Strengthen Community Relations**

The BRAA must proactively serve and satisfy multiple stakeholder groups, each of which has unique interests in the Airport.

## **Mitigate Airport Noise Impacts**

The BRAA must continue to seek collaborative Airport noise solutions that positively affect stakeholders.

## **Explore Land Opportunities**

The BRAA has an immediate opportunity to explore land parcels that are directly adjacent to the Airport. Each parcel presents an opportunity for the BRAA to address existing and future user needs consistent with its vision.

## **People**

Additionally, with the support of the Airport Authority Board, Management has worked to create a culture of continuous improvement through an employee devolvement program that enhances efficiency, productivity, and accountability, reduces costs, and attracts and retains industry leaders.

## **Core Values**

The following Core Values guide the behavior and decision-making process of the BRAA:

### **Integrity**

*Do the right thing*

### **Leadership**

*Shape a better future*

### **Quality**

*Demand safety, efficiency, and excellence*

### **Collaboration**

*Leverage collective ideas*

Airport Management develops business objectives to guide the organization each year. These business objectives are focused on the Authority's Strategic Goals of **Ensuring Operational Effectiveness and Efficiency, Enhancing Financial Performance, Strengthening Community Relations, Mitigating Airport Noise Impacts, Maximizing Land Opportunities**, and developing its **People**.

## Review of Key 2018 Business Objectives

### *Ensuring Operational Effectiveness and Efficiency*

**Ground Access Improvements** – Airport Management held a kick off meeting in December 2017 as part of the multi-phase multi-year rehabilitation and rebranding of Airport Road. Management secured approximately \$1.8 million in grant funding in the current fiscal year and an additional \$850,000 is anticipated next fiscal year. Coordination meetings with the City of Boca Raton, the Transportation Planning Agency (TPA) and FPL were held in the Spring. Additionally, the initial design plans for the undergrounding of overhead powerlines were completed in the Q4.

**Taxiways Papa 4, Charlie, and Foxtrot Widening** – Airport Management secured a grant for the taxiway widening project in November 2017. During the design phase of the project it was determined that the taxiways would need to be realigned due to new FAA design standards. Management is currently working to secure additional FAA funding to cover the increased scope and increased construction costs and will reevaluate the project based on available funding.

**Airfield Pavement Rejuvenator** – This project is designed to extend the useful life of the runway and replace markings to meet current FAA standards. A recommendation for contract award for this work will be presented at the August Airport Authority Board Meeting.

**Air Traffic Control Tower Rehabilitation – Phase II** – Design for replacement of the cab windows and new carpet and cabinetry was completed in Q2. A request for additional grant funding was submitted to FDOT based on revised cost estimates related to the window replacement.

**Wildlife Management Plan** – A final draft Wildlife Hazard Management Plan was completed in Q4. The Plan presents recommendations and procedures to reduce or eliminate wildlife hazards on and off the Airport. The final draft will be submitted to the FAA in September.

**Safety Management Systems (SMS) Gap Analysis** – An SMS Gap Analysis was conducted to evaluate measures required to implement a formal SMS program. Utilizing the template and recommendations that resulted from the study, Airport Operations has identified several strategic initiatives to further the safety mission of the Airport including software to actively track and manage risk.

**Emergency Response Planning** – The Airport continues to promote safety and preparedness initiatives. Hurricane, security, and emergency response plans were updated in Q1. Airport Management conducted airport response training with the Boca Raton Fire and Police Services departments. Joint staff and tenant CPR and fire extinguisher training classes were also held.

**Security Training** – Management continued quarterly Airport Security Training meetings throughout 2018. Recurrent training was conducted with the security guards covering radio procedures, emergency response, record keeping, airfield inspections and pilot-controlled lighting. Ramp security procedures were covered at tenant meetings. Management is also working with the Boca Raton Police Department to offer active shooter training in the first quarter of 2019.

**Security Gates** – A contract to replace gate operator equipment was awarded in July. Work will begin in Q4 and will be completed by the end of 2018.

**Perimeter Fencing** – Airport Operations conducted a survey of existing fencing conditions. Based on the results, signage has been replaced and upgraded. Sections of fence line have been identified for future improvements as part of a larger project. Regular condition surveys have been added to inspection procedures and will be conducted on an ongoing basis.

**Airport Security Plan** – Management conducted a biennial update to the Airport Security Plan in accordance with Florida Statutes. The plan was reviewed and accepted by FDOT in May 2018.

**Swale Management Plan** – Airport Operations is developing standard operating procedures (SOP) for stormwater/swale management. The system has been inspected and all outflows and storm drains have been cleared in order to restore water flow. The final SOP along with a regular inspection schedule will be completed in Q4.

**Lightning Protection** – Management worked with the Airport Consultant to evaluate the lightning protection systems at the Air Traffic Control Tower. After review, it was determined that the grounding system was adequate for the facility. Operations staff replaced UPS systems and added additional surge suppression devices as a precautionary measure.

**Ramp Permit Program** – A ramp permit program to designate vehicle access in specific tenant areas was developed in Q3. Roll out of the program to tenants will begin in Q4.

**Airport Layout Plan (ALP)** – An update to the ALP was completed and submitted to FAA for approval in Q3.

### *Enhancing Financial Performance*

**Clean Audit** – Airport Management engaged the Authority's external auditors Grau and Associates in a comprehensive review of the Authorities financial records, internal controls, investments, and State and Federal grants for the 2017 Fiscal Year. The Auditors completed their preliminary review in April and were on site in early May for a weeklong site visit. The final report included the Airport Authority's Fiscal Year 2017 Financial Statements, and both Federal and State Single Audits. The Fiscal Year 2017 Financial Report was accepted at the June Airport Authority Board meeting and contained no findings or recommendations to Management.

**Grant Funding** – Management secured approximately \$3.2 million in federal and state grants to plan, design, and construct airport improvements.

**Lease Review** – An internal review of all Airport leases, including lease terms, reversions, financial commitments for construction, rent adjustments and escalations, lease compliance, and sales tax is underway. Current lease data sheets will be consolidated into a comprehensive database that will serve as a reference guide. The review is ongoing with final database completion anticipated by the end of the Q4.

**Insurance Program** – A review of tenant and vendor insurance policies was conducted in Q2 to ensure compliance with Authority standards. A second review will take place in Q4. The semiannual reviews will be conducted moving forward.

**Inventory Tracking System** – Airport Management conducted an asset inventory and deployed serial tags to track capital inventory. Airport Operations also procured a parts inventory and tracking system that allows for efficient organization and reordering of common airfield parts and equipment.

**Facilities Management Plan** – This project was added after the start of the 2018 Fiscal Year. The Facilities Management Plan provides an inventory of existing conditions and needs, as well as a capital plan for investments related to the replacement of or improvements to existing Authority owned and controlled facilities and infrastructure. The inventory of existing conditions and future needs was completed in Q3 and detailed projection of costs in conjunction with the Airport's 5-year Capital Improvement Plan was completed in Q4.

### *Strengthening Community Relations*

**US Customs Service** – The newly constructed U.S. Customs and Border Protection Facility began operations on May 31<sup>st</sup>. A number of programs were implemented to promote the new service. Specialized marketing initiatives were rolled out including press releases, media interviews, social media campaigns, and industry outreach.

**US Customs Grand Opening Celebration** – A Grand Opening Celebration was held on May 30<sup>th</sup>. Over 200 people attended and the event was highlighted with remarks from the Mayor of Boca Raton, the USCBP Director of Field Operations, and the Authority Chair. The event was covered by local, state, and national publications.

**Tenant Engagement** – The Authority held multiple tenant engagement events including an ice cream social, a back to school drive, CPR/first aid training, and regular tenant meetings related to airport issues. A Tenant Directory was added to the website to help promote based businesses.

**Corporate Identity and Community Engagement Program** – The Airport's corporate identity and community engagement program continued to expand throughout the year. Several new materials were created including visitor information folders, new Airport tour videos, and event branding collateral. A year-long campaign was developed to commemorate the Airport's 70<sup>th</sup> Anniversary as a public use facility. One key element was the City of Boca Raton's Fabulous 4<sup>th</sup> attended by over 10,000 people, for which the Airport was the presenting sponsor. Several community service activities were conducted including Habitat for Humanity builds, a Toys for Tots toy drive, and two 5K Runs.

**Educational Partnerships** – Airport Management continued its outreach to area schools throughout the year. A Student Day was held in conjunction with the Wings of Freedom tour and included over 200 local school children allowing them to interact with veterans and historic aircraft. Additionally, the Airport partnered with the FBOs, maintenance providers, the Air Traffic Control Tower, and area colleges to host students from Boynton Beach Aerospace Academy for a hands-on opportunity to learn about career options at the Airport.

**Internship Program** – Airport Management partnered with FAU and Lynn University to hire accounting and operations interns, providing real world work experience for the students.

**Contract Marketing Services** – Management conducted a review of the first three years of contract marketing services to determine the appropriate scope for the next marketing engagement. A Request for Proposals was released in Q2. Nine proposals were received and reviewed by the procurement committee, and the top four firms were invited to make presentations. The new three-year contract was awarded in Q3.

#### *Mitigating Airport Noise Impacts*

**Noise and Operations Monitoring System** – Management issued a Request for Proposals for a noise and operations monitoring system in Q1 and the contract was awarded in December. Brand new monitors were installed and the new user interface came online in Q2. The new software provides an intuitive, user friendly method of tracking air traffic activity and potential noise concerns for the community.

**Noise Program Materials** – Updates to the website are underway. Updates include details about common flight tracks, traffic patterns, and information about the Airport. A guide for home buyers will also be included. The website updates will be completed in Q4. Informational materials are being updated to provide more detailed information on the noise abatement program including information about voluntary noise abatement procedures, the voluntary curfew, as well as the reasons why these restrictions are voluntary. A frequently asked questions section will be added to assist in answering many of the residents' more common concerns. The updates will be completed in Q4.

**City of Boca Raton Development Review Process** – The Airport continues to coordinate with the City of Boca Raton regarding new developments planned in areas near the Airport to provide information regarding potential impacts to the surrounding airspace and impacts from air traffic. Airport Management and several Board Members addressed the City's Planning and Zoning Board and the City Council regarding the Mid-Town project and requested an aviation easement to protect the Airport and eventual residents. Airport Management also provided information regarding airport zoning to the City's Development Services Department as part of the update to the City's Comprehensive Plan and zoning code.

### *Maximizing Land Opportunities*

**3700 Building Assessment** – The assessment was completed in Q1 and will be used to provide information regarding necessary building improvements during lease negotiations when the building reverts to the Airport Authority in 2019.

**Adjacent Land** – The Executive Director of the Research Park at FAU participated in an Airport Authority Board Workshop to discuss opportunities for securing adjacent non-Airport parcels. Discussions are ongoing.

### *People*

**Operations Training Manual** – An operations training manual is under development to ensure proficiency and standardized training. The manual includes standard operating procedures for airfield operations, facilities management, noise abatement, Information technology, security, administrative functions, and emergency procedures. It contains a step by step guide that covers all aspects of Airport Operation's responsibilities, as well as important contracts and points of contact. The manual will be completed in Q4.

**Information Technology** – Airport Management developed an automated IT management system to manage hardware and software upgrades, security protocols, and program updates and will implement quarterly IT user training to ensure best practices and minimize technology risks. A network map of systems and software, including servers, CBP Kiosks, and end-user machines, is being developed to better assist with troubleshooting and software and hardware replacement planning.

**Pavement Inspection Training** – Airport Operations planned to attend an airfield pavement inspection course provided by FDOT in order to gain a thorough understanding of the pavement condition assessment process and efficiently conduct daily, monthly, quarterly, and annual airport pavement inspections. The host facility suffered extensive damage due to Hurricane Irma and the 2018 session was subsequently cancelled. All Airport operations staff are scheduled to attend the training in 2019.

**Employee Development** – Airport Management participated in several training and employee development activities throughout the year including lunch and learns, American Association of Airport Executives (AAAE) Certified Member programs, records management training, FGFOA School of Government Finance, CUTR Airport Leadership Development, Leadership Boca, CPR/first aid, and the Florida Airports Council annual conference. Management successfully recruited and trained a new Operations Coordinator to fill a vacancy.

## **Key 2019 Business Objectives**

### *Ensuring Operational Effectiveness and Efficiency*

**Airport Road Improvements** – Several projects to improve Airport Road and address needed improvements including design and installation of landscape, lighting, and signage, roadway resurfacing,



and pedestrian walkway improvements will be initiated in 2019. The design concept for landscape, lighting, and signage will be refined and finalized in Q1. Undergrounding of power lines will be scheduled in coordination with FPL and FDOT to begin in Q2.

**Landside Access Pavement Rehabilitation** – The roadway serving the new US Customs Facility will be rehabilitated, including pavements, markings, curbs and sidewalks. Design will be completed in Q3.

**Taxiways Papa 4, Charlie, and Foxtrot Widening** – This project to widen and relocate taxiways to comply with FAA design standards for the type of aircraft currently using the Airport will be reevaluated based on availability of funding.

**Storm Drainage System Upgrades** – Various improvements to the Airport’s Storm Drainage System will be designed, including replacement and expansion of certain existing storm drains and drainage infrastructure to allow unrestricted water flow and improve flow during storm events.

**Air Traffic Control Tower Rehabilitation – Phase II** – This project includes replacement of the cab windows and installation of new cabinetry, carpeting, and fixtures and was designed in 2018. Additional grant funding was requested, and construction will be completed in Q4.

**Airfield Pavement Rejuvenator** – The airfield pavement rejuvenator project, designed to extend the useful life of the pavement and reduce maintenance costs, will be completed in Q1.

**Airport Inspection Program** – Airport Operations will create new user-friendly inspection forms for enhanced consistency during airfield and facilities inspections and improved record-keeping. Airport Operations will also create an automated inspection schedule with reminders for various airfield and facilities inspections.

**Airfield Equipment Asset Management Program** – Airport Operations will update the existing asset management program to track the use of parts and equipment needed to repair discrepancies reported in work orders. Airport Operations will also create standardized minimum number of parts on hand, and standardized reorder number once the minimum has been reached.

**Wildlife Hazard Management Plan** – Airport Management will implement recommendations from the Wildlife Hazard Management Plan and develop an actions list to be incorporated into operational activities and inspections.

**GIS Implementation Phase 1** – Airport Management will implement an integrated Geographic Information System (GIS) to assist in the collection and maintenance of airport and aeronautical data. The first phase of this multi-year project consists of the collection of data and installation of required hardware and software.

**Security Training** – Active shooter training with the Boca Raton Police Department and airport tenants is planned for Q1.

**Clean Audit** – Airport Management will work with the Secretary/Treasurer and the Authority’s external auditors to review the year’s financial transactions and conduct an audit in compliance with State Statutes and federal requirements.

**Grant Funding** – Approximately \$1.9 million in airport improvement projects will be planned, designed, and constructed. Working with the FAA and FDOT, over 77% of the project costs are expected to be reimbursed through grants.

**U.S. Customs and Border Protection Facility** – Airport Management will continue to promote the U.S. Customs and Border Protection Facility to the aviation and boating communities while exploring additional services that can generate revenue to offset operating expenses.

**Lease Negotiations** – Airport Management will negotiate lease rates for leasehold improvements reverting to the Airport Authority in Q3 utilizing best business practices and in accordance with FAA compliance requirements.

### *Strengthening Community Relations*

**Social media** – Social media presence during events and regular daily Airport activities will be enhanced through use of technology and timely posts. Airport Management will participate in social media training to enhance in-house capabilities and reduce contract costs.

**Airport Informational Blogs** – Airport Management will develop and implement a series of blogs on a variety of topics related to the Airport and in order to engage proactively with tenants and the community.

**Community Engagement** – Activities centered around the Airport’s 70<sup>th</sup> Anniversary will continue in Q1, including participation in the City of Boca Raton Veterans Day Event and the Annual Holiday Parade and production of a coffee table book highlighting the Airport’s history and role in the development of Boca Raton. Community focused events will be held including an annual toy drive, Wings of Freedom veterans and students’ day, annual airport career day, and the Chamber of Commerce’s Community Cookout. Quarterly tenant outreach events will be held to encourage dialogue and camaraderie with airport tenants and employees.

### *Mitigating Airport Noise Impacts*

**Pilot Noise Abatement and Training Outreach** – New pilot outreach materials depicting standards and procedures to reduce aircraft noise will be developed and disseminated to Airport users. Airport Management will hold one pilot meeting to discuss operational issues, airport projects, and emergency procedures.

**City of Boca Raton Development Review Process** – The Airport will continue to coordinate with the City of Boca Raton regarding new developments planned in areas near the Airport to provide information regarding potential impacts to the surrounding airspace and impacts from air traffic.

### *Maximizing Land Opportunities*

**Evaluate Current Airport Land Use** – Airport Management will evaluate the current land use and development on the west side of the Airport to ensure maximum useful development.

### *People*

**Administrative Training Manual** – Airport Management will develop a manual covering aspects of office management and administration as part of ongoing succession planning efforts.

**Employee Development** – Employee development will continue in order to provide opportunities for job growth and to equip employees with critical skills to meet ever-changing conditions. Emphasis will be on earning job-related certifications and industry participation.

**Pavement Inspection Training** – All operations staff will attend an airfield pavement inspection course in 2019 that was not possible due to hurricane impacts in 2018.