

BOCA RATON AIRPORT AUTHORITY

OPERATING AND CAPITAL BUDGETS



 BOCA RATON
AIRPORT

FISCAL YEAR

2020



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Boca Raton Airport Authority

Executive Summary

As required in the Special Act, the Boca Raton Airport Authority (BRAA) adopts an operating and capital budget by September 30th of each year. The 2020 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 generates revenues from land leases and fuel fees that sustain the Airport's operations. The Operating and Capital Budgets for FY 2020 reflect an increase in revenues resulting from expected sustained air traffic activity, stable fuel sales, and increased rents generated by a recent reversion of certain buildings on the Atlantic Aviation leasehold. Operating expenses include personnel and professional expenses, airport operating costs, Air Traffic Control Tower operating expenses and project expenses.

The first full year of operation of the US Customs and Border Protection Facility was celebrated in May 2019. The BRAA is responsible for all maintenance and operating costs of the facility and reimburses the federal government for all staffing and data processing costs, which has resulted in an increase in operating expense. Service is provided on a user fee basis, resulting in additional operating revenue that helps offset operating expenses.

For FY 2020 Airport Management expects that 38% of revenue will be derived from aviation land rents and 38% will be derived from non-aviation land rents, while fuel flowage fees and Customs Facility user fees will comprise 15% and 9% of total revenue respectively.

Total budgeted operating revenues are expected to total \$5,439,500. This is an increase of \$1,435,075 or 35.8% compared with the FY 2019 budget and a \$702,500 or 14.8% increase compared with FY 2019 projected.

Total operating expenses before depreciation are budgeted at \$3,763,000. This is an increase of \$577,043 or 18.1% over current year budget and \$1,093,500 or 41.0% compared with 2019 projected. The increase is attributable to grant reimbursable, project-related expenses and one-time expenses required for airfield and facility maintenance.

Based on anticipated revenues of \$5,439,500 and proposed expenses before depreciation of \$3,763,000, operating income before depreciation is budgeted at \$1,676,500. This is \$858,032 or 104.8% more than current year budget and \$391,000 or 18.9% less than current year projections.

The 2020 Operating Budget also includes \$815,200 in non-operating revenue from interest income and grant reimbursements. The resulting income before capital contributions from operating and non-operating revenue minus expenses, not including depreciation, is budgeted at \$2,491,700 for FY 2020.

2019 Budget vs. 2020 Proposed Budget

	2019 Budget	2020 Proposed Budget	Change from Prior Year	
Total Operating Revenues	\$4,004,425	\$5,439,500	\$1,435,075	35.8%
Total Operating Expenses	\$3,185,957	\$3,763,000	\$577,043	18.1%
Operating Income Before Depreciation	\$818,468	\$1,676,500	\$858,032	104.8%

2019 Projected vs. 2020 Proposed Budget

	2019 Projected	2020 Proposed Budget	Change from Prior Year	
Total Operating Revenues	\$4,737,000	\$5,439,500	\$702,500	14.8%
Total Operating Expenses	\$2,669,500	\$3,763,000	\$1,093,500	41.0%
Operating Income Before Depreciation	\$2,067,500	\$1,676,500	\$(391,000)	-18.9%

The 2020 Capital Improvement Plan Budget includes projects totaling \$4,125,000. FAA and FDOT grant contributions are projected to total \$3,675,000, or 89% of total project costs. The Airport Authority contribution is projected at \$450,000, or 11% of total project costs.

The proposed FY 2020 Budget includes capital outlays of \$44,000 for the purchase of airfield operations equipment.

Based on the proposed FY 2020 Operating, Capital Outlay, and Capital Improvement Plan Budgets, the projected Airport Reserve Balance is \$12,382,000.

A summary of Key Business Objectives completed in 2019 and Business Objectives planned for 2020 is also included in the budget report.

Management Recommendation

On behalf of Boca Raton Airport Management, I respectfully present the Fiscal Year 2020 Operating, Capital Outlay, and Capital Improvement Plan Budgets.

Clara Bennett
Executive Director

August 21, 2019

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 adjacent to I-95, between Spanish River Boulevard and Glades Road. The Airport's single runway 5-23 is 6,276 feet long and 150 feet wide.

Boca Raton Airport is home to more than 50 aviation and non-aviation businesses and approximately 227 based aircraft. According to the State of Florida, the Airport contributes an estimated \$201 million in annual economic impact to the local economy, an employment base of 3,055, total labor income of over \$135 million, and total output of \$434 million.

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. The Airport Authority has initiated a project to update its Strategic Plan, to be completed in mid-2020.

Boca Raton Airport (BCT)

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.

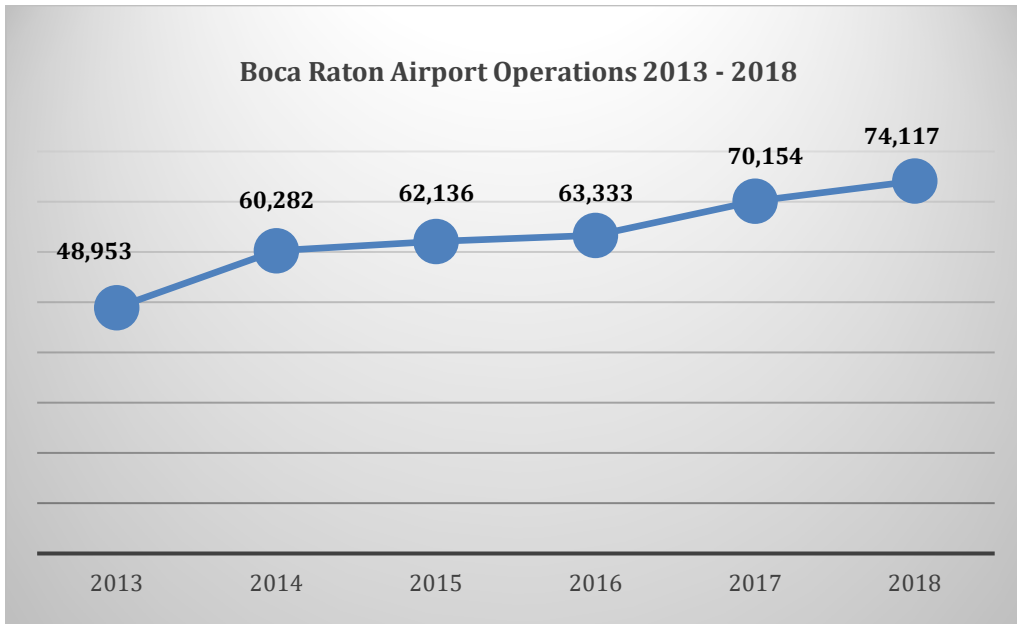
BCT is categorized as a general aviation reliever airport by the Federal Aviation Administration. Reliever airports are designated by the FAA to relieve congestion at commercial service airports and to provide improved general aviation access to the overall community.

In May 2012, the FAA released the results of 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

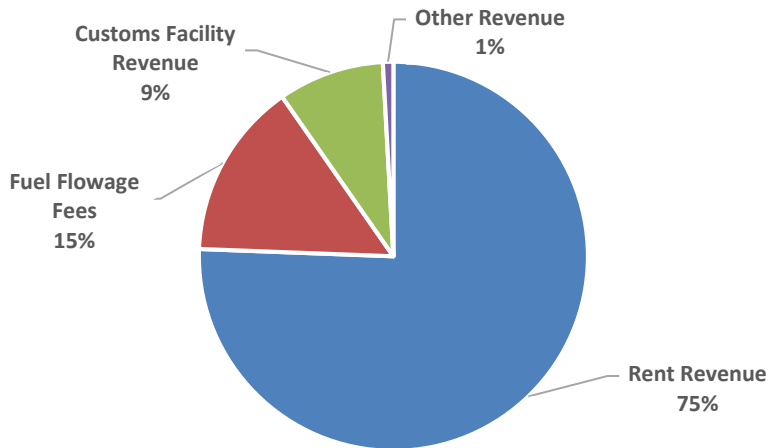
Airport traffic increased by 6% in 2018 compared with 2017, for a total of 74,117 takeoffs and landings. This has been a consistent trend for the past five years as a result of improved economic activity. Operations are expected to continue to increase in 2020 as air traffic related to local business and leisure activity continues to increase and with additional Presidential visits expected during the winter months.



Major Sources of Revenue

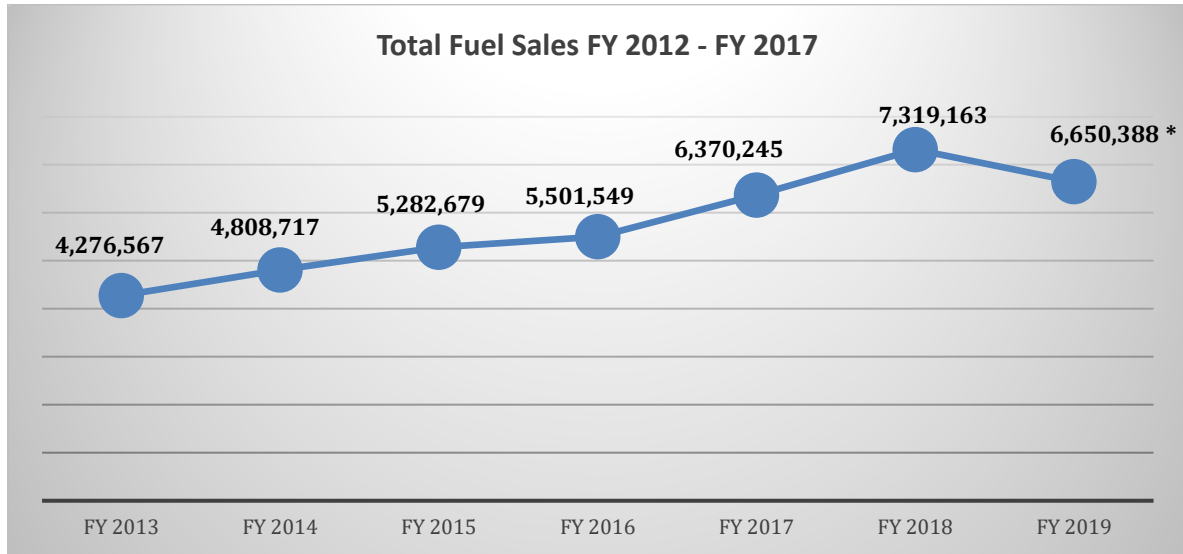
The largest sources of Airport revenues, approximately 75%, are the Authority's six land leases: Atlantic Aviation, Boca Aircraft Owners, Boomers, Cinemark, City Furniture and Premier Aviation. Fuel flowage fees make up the second largest source of revenue at approximately 15% of total revenue. The US Customs Facility is a new source of revenue and is expected to generate approximately 9% of total revenue, helping offset operating costs of the facility. Other sources include interest income, miscellaneous income and rental car fees.

2020 Revenue Sources

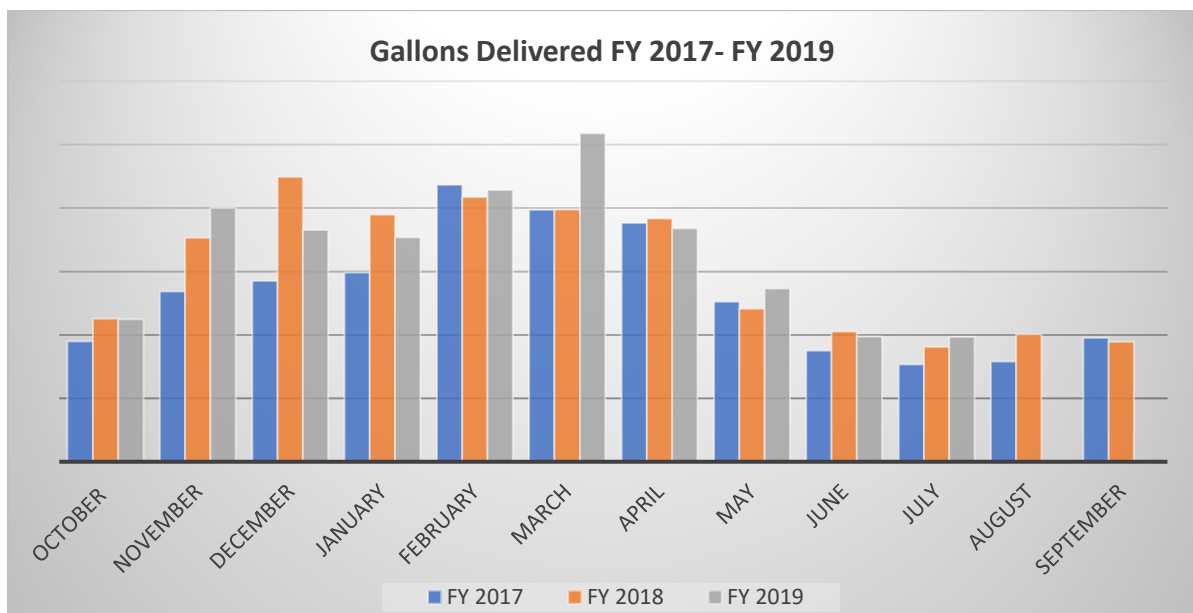


Fuel Sales

Gallons of fuel sold in FY 2019 totaled 6,650,399 through July 2019. In FY 2018, fuel sales totaled 7,319,163 compared with 6,370,245 on the prior year. The increase in fuel sales volume is attributable to increased demand in Q2 and Q3 resulting from positive economic conditions and the Presidential visits to South Florida.



* Through July 2019





Budget Approach

Budget Process:

As required in the Special Act, the Airport Authority adopts an operating and capital budget by September 30th 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 2020 budget reflects a 19.1% increase in depreciation compared with 2019. Below is a summary of 2020 budgeted depreciation by capital asset type. The categories showing zero are not being depreciated.

Buildings	\$430,100	22%
Infrastructure	\$977,500	50%
Machinery, Equipment, and Fixtures	\$215,050	11%
Leasehold Improvements	\$332,350	17%
Land Avigation Easement	\$-	0%
Avigation Easement	\$-	0%
Procurement Fee	\$-	0%
Projects In Progress	\$-	0%
Total Depreciation	\$1,955,000	



Current Year Projected Actuals

Current Year Operating Revenues:

Operating Revenues for FY 2019 (current year) are projected to total \$4,737,000. This is an increase of \$732,575 or 18.3% compared with 2019 budgeted revenues, and a \$744,830 or 18.7% increase compared with 2018 (prior year) actual revenues.

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

- Rent revenue increased by \$333,258 or 10.9% over prior year and \$329,649 or 10.8% compared with current year budget as a result of lease adjustments. This includes an increase of an estimated \$236,860 in rent collected from Atlantic Aviation due to the reversion of the 3700 Building and Hangar Buildings 1-4, Hangars 6 and 7, the “Blue Hangar”, and the Lynn University Flight School Building.
- Fuel Flowage Fees are down \$12,471 or 1.5% over prior year and up by \$100,000 or 14.3% over current year budget.
- Customs Facility revenue is projected at \$480,000, which is a \$315,000 or 190.9% increase to budget. The variance is due to the difficulty in projecting revenues in the first year due to lack of historical budget data.

Current Year Operating Expenses:

Operating Expenses before depreciation are projected to total \$2,669,500 at the end of FY 2019. This is a 16.2% decrease compared with budget and a 9.5% increase compared with 2018 actuals.

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

- Personnel Expenses are down by \$37,121 or 3.4% compared with budget. This is as a result of a vacancy for a part-time position.
- Professional Services are projected to decrease by 41.0% compared with budget and 20.8% compared with 2018 actuals as a result of reductions in legal expenses and consulting fees.
- CBP Facility Expenses are up \$30,624 or 9.6% to budget, due to afterhours usage of the facility being higher than anticipated.

Included in current year operating expenses are project expenses totaling \$69,500 associated with 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:

Overall operating income (surplus of revenues minus expenses) before depreciation is projected to total \$2,067,500, which is \$1,249,032 or 152.6% higher than budgeted as a result of higher revenues from aviation leases and Customs Facility user fees and reduced operating expenses related to the timing of certain construction projects. Compared with 2018 actuals, operating income before depreciation is projected to increase by \$513,585 or 33.1%.

An additional \$235,600 is projected as non-operating revenue resulting from grant reimbursements for project expenses included in the operating budget, in addition to interest income generated from Airport reserves. Interest Income is projected to total \$180,000, an increase of \$60,000 or 50% compared with budget and a 132.7% increase compared with 2018 actuals as a result of rising interest rates and increased reserves balance.

The resulting income before capital contributions, not including depreciation, totals an estimated \$2,303,100 in FY 2019.



2020 Proposed Budget

2020 Operating Revenues:

Operating Revenues are expected to total \$5,439,500 in 2020. This is an increase of \$1,435,075 or 35.8% compared with current year budget and \$702,500 or 14.8% 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 \$1,048,949 or 34.2% compared with 2019 budget and \$719,300 or 21.2% compared with current year projected due to lease adjustments in accordance with lease terms.
- Fuel flow revenue is budgeted at \$800,000, an increase of \$100,000 or 14.3% compared with current year budget due to current trends in fuel sales.
- Customs Facility Revenue is budgeted at \$480,000, based on revenues collected during the first year of operation.

2020 Operating Expenses:

Operating expenses before depreciation for 2020 are budgeted at \$3,763,000. This is an increase of \$577,043 or 18.1% over current year budget and \$1,093,500 or 41.0% compared with year-end projections. This increase is attributable to grant reimbursable expenses for airport improvement projects and one-time expenses required for airfield and facility maintenance.

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

- Personnel expenses are expected to increase by \$109,179 or 9.9% compared with budget and 13.7% compared with current year projected due to salary adjustments and a 16% rate increase in health insurance costs.
- Professional services are increased by \$2,000 or 1.1% compared with the 2019 budget and increased by \$75,150 or 71.3% compared with 2019 projected to account for anticipated one-time consulting projects.
- Office operating expenses are increased by \$67,215 or 27.0% compared with 2019 budget and increased by \$53,200 or 20.2% compared with 2019 projected due to one-time maintenance projects including Administration Building interior painting, tile work and parking lot striping and resealing.
- Airport operations expenses are increased by \$83,889 or 18.8% compared with 2019 budget and increased by \$90,600 or 20.6% compared with 2019 projected due to one-time maintenance projects including rubber removal and airfield signage replacements.

- Insurance expense is increased by \$18,153 or 11.9% compared with 2019 budget due to anticipated market rate increases.
- Air Traffic Control Tower expenses are increased by \$33,700 or 72.0% compared with current year budget due to one-time project in partnership with FAA for the replacement of FIDO equipment.
- Customs facility expenses are increased by \$5,424 compared with 2019 budget and decreased by \$25,200 or 7.2% compared with 2019 project due to one-time maintenance projects completed in 2019.
- Marketing and Special Event expenses are expected to increase by \$8,398 compared with current year budget and to increase by \$21,150 compared with current year projected due to addition of new community partnerships in 2020, as well as increased tenant/pilot outreach.
- Planning, design, and construction project expenses are budgeted at \$756,500. These projects are eligible for 80% reimbursement through Florida Department of Transportation grants.

2020 Operating Income:

Based on anticipated revenues and operating expenses, operating income before depreciation is budgeted at \$1,676,500, which is \$858,032 or 104.8% more than current year budget and \$391,000 or 18.9% less than current year projections.

An additional \$815,200 is projected as non-operating revenue resulting from grant reimbursements for project expenses included in the operating budget, in addition to interest income generated from Airport reserves. Interest Income is projected to total \$210,000, a modest increase to compared with 2019 actuals as a result of investments committed to fixed terms in a decreasing rate environment.

The resulting income before capital contributions, not including depreciation, totals an estimated \$2,491,700 in 2020.

2020 Proposed Operating Budget

	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget	Change from FY 2019 Projected	
Operating Revenues:						
Rent Revenue	\$3,059,742	\$3,063,351	\$3,393,000	\$4,112,300	\$719,300	21.2%
Fuel Flowage Fees	812,471	700,000	800,000	800,000	-	0.0%
Customs Facility Revenue	49,385	165,000	480,000	480,000	-	0.0%
Other Revenue	70,572	76,074	64,000	47,200	(16,800)	-26.3%
Total Revenue	3,992,170	4,004,425	4,737,000	5,439,500	702,500	14.8%
Operating Expenses:						
Personnel Expenses	978,626	1,104,721	1,067,600	1,213,900	146,300	13.7%
Professional Services	133,034	178,500	105,350	180,500	75,150	71.3%
Office Operating Expenses	225,417	248,985	263,000	316,200	53,200	20.2%
Airport Operations	410,205	446,211	439,500	530,100	90,600	20.6%
Insurance Expense	149,452	153,147	160,000	171,300	11,300	7.1%
ATCT Facility	33,821	46,800	46,500	80,500	34,000	73.1%
Customs Facility	141,357	317,576	348,200	323,000	(25,200)	-7.2%
Marketing & Special Events Projects	198,203 168,140	182,602 507,415	169,850 69,500	191,000 756,500	21,150 687,000	12.5% 988.5%
Total Operating Expenses	2,438,255	3,185,957	2,669,500	3,763,000	1,093,500	41.0%
Total Operating Income before Depreciation	1,553,915	818,468	2,067,500	1,676,500	(391,000)	-18.9%
Depreciation	1,565,659	1,641,650	1,641,650	1,955,000	313,350	19.1%
Net Operating Income/(Loss)	(11,744)	(823,182)	425,850	(278,500)	(704,350)	-165.4%
Non-Operating Revenues (Expenses):						
Interest Income	77,354	120,000	180,000	210,000	30,000	16.7%
Operating Grants	134,512	405,932	55,600	605,200	549,600	988.5%
Total Non-Operating Revenues (Expenses)	211,866	525,932	235,600	815,200	579,600	246.0%
Income/(Loss) before Capital Contributions	200,122	(297,250)	661,450	536,700	(124,750)	-18.9%
Capital Contributions from State and Federal Grants	839,559	1,060,000	1,015,000	3,675,000	2,660,000	262.1%
Change in Net Position	\$1,039,681	\$762,750	\$1,676,450	\$4,211,700	\$2,535,250	151.2%



2020 Proposed Capital Outlays

The proposed Fiscal Year 2020 Budget includes capital outlays of \$44,000 for a lift boom for safe and efficient maintenance of Airport facilities including the Administration Building, the Air Traffic Control Tower, the US Customs Facility, light poles, camera poles and the rotating beacon.

2020 Proposed Capital Outlays

Description	Proposed Budget
Furniture & Fixtures	-
Airfield & Office Equipment	44,000
Information Systems Equipment	-
Airport Vehicles	-
Total Capital Outlay	\$44,000



2020 Proposed Capital Improvement Plan

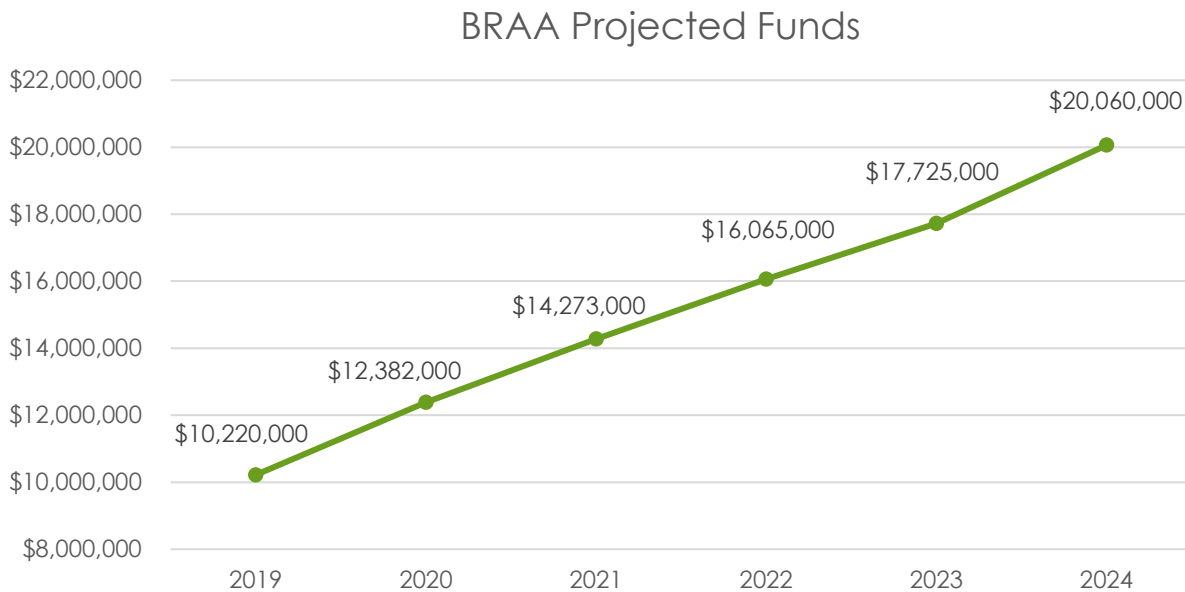
The Capital Improvement Plan (CIP) for 2019 includes projects for widening and relocation of several taxiways to conform to Federal Aviation Administration standards, widening certain taxiways to minimize operational issues at the FBO entrances, security system enhancements, and development of an observation area along the Airport perimeter.

Proposed Fiscal Year 2020 CIP

Description	FAA	FDOT	Local	Total
Taxiways Papa 4, Charlie, and Foxtrot Widening - Construction	\$2,250,000	\$125,000	\$125,000	\$2,500,000
Taxiways Papa 5, Charlie, Papa 9, and Papa 10 Widening - Construction	-	520,000	130,000	650,000
Security Enhancements - Phase 4	-	600,000	150,000	750,000
Observation Area	-	180,000	45,000	225,000
Total	\$2,250,000	\$1,425,000	\$450,000	\$4,125,000

2020 Projected Reserve Balance

Based on the proposed Fiscal Year 2020 Operating, Capital Outlay, and Proposed Capital Improvement Plan Budgets, the projected Airport Reserve Balance is \$12,382,000. This represents an increase of \$2,162,000 compared with Fiscal Year 2019 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 2019 Business Objectives

Ensuring Operational Effectiveness and Efficiency

Airport Road Improvements – Airport Management finalized the proposed roadway concepts in October and subsequently initiated a design task order with FPL to relocate the existing overhead powerlines underground. Along with undergrounding of the powerlines, the project includes roadway, lighting, signage, and landscape improvements. Thirty percent design was completed in December and 60% design was completed in June 2019.

Landside Access Pavement Rehabilitation – Ninety percent design of this project, which involves rehabilitation of pavements, sidewalks, signage and landscaping on the section from Airport Road to the Customs Facility roadway, was completed in the first quarter of FY 2019. This project will be included in the bid package for the work planned along Airport Road.

Taxiways Papa 4, Charlie, and Foxtrot Widening – Airport Management and the General Consultant completed the design of the widening Taxiway Papa 4 and the widening and relocation of Taxiways Charlie and Foxtrot. Changes to FAA standards resulted in additional costs exceeding the original budget. Airport Management applied for a supplemental grant totaling approximately \$2 million in federal funds in October 2018. The request is currently under review by the FAA. The construction portion was added to the Airport's capital plan for 2020, including a request for discretionary federal grant funds, in the event the supplemental funds are not received.

Taxiways Papa 5, Charlie, Papa 9, and Papa 10 Widening Design – This was a new project identified mid-year to address an operational issue resulting from several aircraft excursions that occurred along the taxiway entrances to the FBO ramps during the busy traffic season. Airport Management worked with the Airport General Consultant to develop a project scope and a budget estimate of \$745,000 and requested design and construction grant funding from the Florida Department of Transportation. Design funds were accepted in July 2019 and the design started in August 2019. Construction funds will be received in the fall of 2019.

Storm Drainage System Upgrades – The Airport Authority accepted a grant in 2019 from the Florida Department of Transportation for \$350,000 to evaluate various improvements to the Airport's Storm Drainage System, including replacement and expansion of certain existing storm drains and drainage infrastructure to allow unrestricted water flow and improve flow during extraordinary storm events.

Air Traffic Control Tower Rehabilitation – Phase II – Airport Management released a bid to replace the Air Traffic Control Tower windows in the fall of 2018 and received no bids. The project was re-released in the spring of 2019 with additional scope including cabinetry and console work included. The sole bidder was found non responsive by the Authority's general consultant and legal firm. Airport management is currently exploring additional options for obtaining a contractor to replace the windows.

Airfield Pavement Rejuvenator – The runway rejuvenator and remarking project was successfully completed within budget in November of 2018. The final grant close out occurred in January 2019.

Airport Inspection Program – This project consisted of the implementation of additional software to automate and streamline multiple inspection processes around the airfield. The streamlining included the option of issuing work orders for repair tracking and parts usage. Additional software to incorporate Safety Management Systems (SMS) into future processes was tested and determined unsuitable to the Airport's immediate needs and budget. Further software evaluation is ongoing.

Airfield Equipment Asset Management Program – This project consisted of tying additional software to the inspection program application to allow Airport Management to maintain appropriate inventories of potential high use items, (lights, electrical component, fasteners, etc.) utilizing work orders and parts requests.

Wildlife Hazard Management Plan – Management submitted the draft Wildlife Hazard Management Plan to the FAA for review in November 2018. The FAA approved the plan in July 2019. Throughout the year, various recommendations from the draft plan have been implemented including auditory and visual hazing and habitat management.

GIS Implementation Phase 1 – Airport Management secured a grant for \$100,000 for Geographic Information System (GIS) Implementation – Phase 1 and initiated the study in summer 2019. The project includes geospatial information gathering for all Airport features and assets, database construction and FAA aGIS/eALP conversions.

Security Training – Management conducted several training classes with tenants and contract security staff to enhance overall airport security and efficiency. Training sessions included several Active Shooter classroom sessions hosted by the Boca Raton Police Department and offered free to Airport tenants. Airport Management continues to conduct quarterly training sessions with the security contractor to enhance awareness during routine patrols, ensure proper response to emergency situations, and enhance efficiency and accuracy of inspection and reporting of incidents.

Enhancing Financial Performance

Clean Audit – The Authority's independent auditor conducted an audit of the Authority's finances and issued a clean report with no findings. The audit was accepted by the Board in May 2019.

Grant Funding – Airport management secured approximately \$1.5 million in FAA and FDOT grants for a variety of Airport improvement projects.

U.S. Customs and Border Protection Facility – Airport Management continued to promote the U.S. Customs and Border Protection Facility to the aviation and boating communities. Total activity exceeded projections by 113% and revenues exceeded budget by \$315,000 at the end of first year of operation.

Lease Negotiations – Airport Management successfully negotiated the reversions of several hangars and the office building on the Atlantic leasehold resulting in an increase in rents revenue of approximately \$950,000 in the first year.

Strengthening Community Relations

Community Engagement – Airport Management continued to expand the Authority’s community engagement program participating in various outreach events including Veteran’s Day, the Boca Raton Annual Holiday Parade, Wings of Freedom, Chamber of Commerce Community Cookout, Airport Career Day, Toys for Tots and Back to School drives and tenant appreciation events. A coffee table book celebrating the Airport’s 70th Anniversary was published and received an award from a national communication organization.

Airport Informational Blogs – Airport Management posted a series of blogs on the Authority’s website and social media covering a wide variety of airport topics including community engagement events, construction projects, airport security and temporary flight restrictions.

Social media – Airport Management took an active role in managing the Authority’s social media platforms, posting Airport events, community events, and several focused efforts such as “What is it Wednesday”. This resulted in a 5% increase in followers and likes across all platforms.

Mitigating Airport Noise Impacts

Pilot Noise Abatement and Training Outreach – Updates were made to the Pilot Procedures section of the Airport’s website including detailed information on the recommended noise abatement procedures. The Airport’s noise abatement procedures were published in the Aircraft Owners and Pilots Association (AOPA) pilot guide to allow wider distribution of program information. Automatic reporting was implemented to facilitate data analysis and pilot outreach and a new noise concern form was added to the website, allowing noise reports to automatically integrate into the noise database.

City of Boca Raton Development Review Process – The Airport continued to coordinate with the City of Boca Raton regarding new developments planned in areas near the Airport, providing information regarding potential impacts to the surrounding airspace and impacts from air traffic and suggestions on height and land use restrictions.

Maximizing Land Opportunities

Evaluate Current Airport Land Use – Airport Management and the Authority’s General Consultant initiated a storm water vault feasibility study to investigate the possibility of creating additional developable property along Airport Road. Airport Management also programmed a future project to relocate the beacon and electrical vault from the west side of the field to the east side, allowing for additional developable property.

People

Administrative Training Manual – Airport Management completed a draft administrative training manual in August 2019. The manual covers daily administrative tasks including Board Meeting processes, filing, P-card procedures, accounts receivable/payable procedures, travel and time keeping. The draft is under review and will be completed in September 2019.

Employee Development – Airport Management continued to work with staff to provide opportunities for employee and career development. Team members attended various conferences and training sessions, earning one American Association of Airport Executives (AAAE) Certified Member designation, one AAAE Airport Certified Employee designation, FDOT pavement inspection and repair training, and one Florida Records Management certification.

Key 2020 Planned Business Objectives

Ensuring Operational Effectiveness and Efficiency

Strategic Airport Business Plan Update – An update to the 2011 Airport Business Plan will be completed. The Plan will outline organizational priorities for the next five to eight years and will involve stakeholder engagement, a managerial and environment assessment, benchmarking, evaluation of feasible Airport development scenarios, development of strategic initiatives and objectives, and an implementation and monitoring plan.

Airport Road Improvements – Final design of the various elements of this multi-phase, multi-element project will be completed by December 2019. Start of construction is planned for mid-2020.

Landside Access Pavement Rehabilitation – Ninety percent design was completed in the first quarter of FY 2019. In order to achieve efficiencies and economies of scale, the 90% design will be packaged with the Airport Road Improvements bid and is expected to begin construction in mid-2020.

Taxiways Papa 4, Charlie, and Foxtrot Widening – Airport Management and the General Consultant completed the design of the widening Taxiway Papa 4 and the widening and relocation of Taxiways Charlie and Foxtrot. Changes to FAA standards resulted in additional costs exceeding the original budget. Management applied for a supplemental grant totaling approximately \$2 million in federal funds in October 2018. The request is currently under review by the FAA. The construction portion was added to the Airport's capital plan for 2020, including a request for discretionary federal grant funds, in the event supplemental funds are not received.

Taxiways Papa 5, Charlie, Papa 9, and Papa 10 Widening Construction – This project involves widening the taxiway entrances to the FBO ramps to address aircraft excursions that have occurred during the busy traffic season. Design began in August 2019 and will be completed in the fall. Construction is expected to begin in mid-2020.

Air Traffic Control Tower Rehabilitation – Phase II – Airport Management will continue to pursue alternative options, consistent with the BRAA Procurement Code, to replace the Air Traffic Control Tower windows and complete this phase of the project.

GIS Implementation Phase 1 – Airport Management and the Airport General Consultant will complete Phase I of the GIS Implementation project in 2020. The project includes geospatial information gathering for all airport features and assets, database construction and FAA aGIS/eALP conversions. The project will be followed by Phase 2 in 2021.

Information Technology Equipment and Services – Airport Management will develop and release a Request for Proposals for a new contract to assist with the management of the Airport’s IT infrastructure and provide equipment and software support services.

Airport Security Program – A review of airport security program services was conducted in 2019 in preparation for the upcoming expiration of the existing contract. In 2020 Airport Management will develop a Request for Proposals to solicit proposals from qualified area security service providers and manage the transition to a new contract period.

Security/Emergency Response Training – Airport Management will continue to conduct Airport security and emergency response training classes with tenants, the Boca Raton Police Department, the Boca Raton Fire Department, and contract security staff to enhance overall airport security and emergency preparedness.

Enhancing Financial Performance

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 \$4.1 million in improvement projects will be planned, designed, and constructed. Working with the FAA and FDOT, over 89% of the project costs are expected to be reimbursed through grants.

Operating Margin – Airport Management will achieve an operating margin (not including projects and depreciation) of 30% or greater at the end of the fiscal year.

Expense Control – Operating expenses (not including projects and depreciation) will be controlled and shall not exceed 100% of the approved 2020 budget.

GASB 87 Implementation – Airport Management will work with the Secretary/Treasurer to evaluate and implement the requirements established by the Government Accounting Standards Board (GASB) in Statement No. 87: Leases.

External Auditor Services – Airport Management will work with the Secretary/Treasurer to develop a Request for Proposals and select an external auditing firm in compliance with State Statutes.

U.S. Customs and Border Protection Facility – Airport Management will analyze operational and revenue/expense data to determine appropriate service levels. The analysis will be based on existing and forecast demand, operating costs and revenue offsets.

Asset Inventory – Airport Management will complete the biennial inventory of Airport assets in accordance with Federal Grant regulations and Airport Authority policy.

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, with a goal of increasing engagement by 10%.

Community Engagement – Activities related to the community engagement program will continue in FY 2020, including an annual toy drive, a Wings of Freedom veterans and student's day, an annual airport career day, the City's Fourth of July celebration, and the Chamber of Commerce's Community Cookout. Tenant and pilot outreach initiatives, including Airport employee appreciation and pilot meetings, will be held throughout the year to encourage dialogue and camaraderie among Airport tenants, employees, Airport users and the BRAA.

ADA Compliance – Airport Management will work with a consultant to audit and update the Airport Authority website to conform with Americans with Disabilities Act (ADA) standards.

Airport Observation Area – Airport Management and the General Consultant will design a dedicated observation area that can be used by the general public and aviation enthusiasts to watch airplane activity in a park-like setting.

Crisis Communication Plan – Airport Management will update the Crisis Communication Plan and implement training to ensure that the Management Team is prepared to respond promptly, accurately and confidently during an emergency; that information specific to different audiences is properly prepared and disseminated; and that the image of the Airport Authority is protected.

Media Kit – Airport Management will develop informational materials focused on the media in order to facilitate communication and coordination with reporters and news organizations.

Public Officials Outreach Materials – A briefing packet will be developed to provide relevant information to local, state and federal elected officials and their staff. The materials will include information on the Airport, its role in the community, and its legislative and strategic priorities.

Mitigating Airport Noise Impacts

Pilot Noise Abatement and Training Outreach – Airport Management will hold an airport-wide pilot meeting to discuss operational issues, airport projects, and emergency procedures.

Flight School Briefings – Airport Management will conduct briefings with on- and off-airport flight schools to discuss noise abatement procedures and minimize noise impacts.

Neighbor Outreach – Airport Management will coordinate with local homeowner associations to present noise abatement program information to concerned citizens as requested.

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

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.

Employee Handbook Revision – Airport Management and Airport Legal Counsel will revise the employee handbook to ensure compliance with current employment laws and Florida Statutes and organizational best practices. Implementation will include employee training and certification as necessary.

Compensation Study – In keeping with organizational best practices, Airport Management will engage a consulting firm with expertise relevant to airports to conduct a study and make recommendations regarding employee compensation.