

AVIATION FUND

Department Description and Mission

The mission of the Houston Airport System (HAS) is to connect the people, businesses, cultures, and economies of the world to Houston.

Our vision is to establish Houston as a five-star global air service gateway where the magic of flight is celebrated.

The core values of HAS are Relationships, Innovation, Service and Excellence (R.I.S.E.).

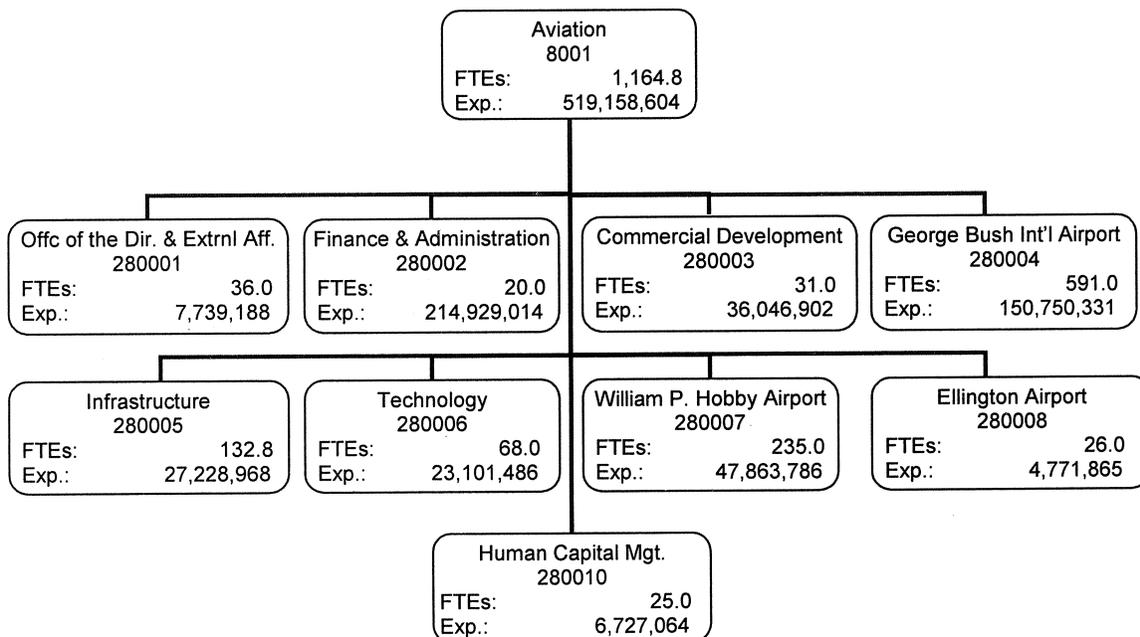
Short-Term Goals

- Upgrade wayfinding at George Bush Intercontinental Airport (IAH) in Terminals A and C as well as C/D/E Parking Garages.
- Continue installation of InFAX Smart Restroom technology at IAH and begin such installation at William P. Hobby Airport (HOU).
- Secure tenants at Ellington Airport (EFD) in support of the Houston Spaceport.
- Begin construction of new air traffic control tower at Ellington Airport (EFD).
- Complete preliminary design for the new Mickey Leland Terminal.
- Maintain actual debt service ratio of at least 1.5x. (This is the ratio of revenues available annually for debt service payments over the total debt service payment.)

Long-Term Goals

- Expand services to enhance the passenger experience with the goal of achieving Skytrax ratings of five stars at IAH and HOU.
- Pursue phase I development of the Houston Spaceport.
- Maintain airline cost per enplaned passenger (CPE) within levels that will keep IAH and HOU competitive with peer airports.
- Enhance passenger experience and decrease environmental footprint through the reduction of shuttle bus traffic by constructing a consolidated rental car facility at HOU.
- Maintain debt service coverage ratio of at least 1.4x.

Department Organization



FISCAL YEAR 2019 BUDGET

Fund Summary

Fund Name : HAS-Revenue Fund
Business Area : Houston Airport System
Fund No./Bus. Area No. : 8001 / 2800

	<u>FY2018 Current Budget</u>	<u>FY2018 Estimate</u>	<u>FY2019 Budget</u>
Beginning Fund Balance	0	0	0
Current Revenues	509,479,717	509,479,717	519,158,604
Total Available Resources	<u>509,479,717</u>	<u>509,479,717</u>	<u>519,158,604</u>
Maintenance and Operations	310,946,353	297,827,762	316,220,670
Debt Services	123,311,237	153,476,448	122,437,050
Renewal / Replacement Cap. Exps.	20,000,000	10,000,000	15,000,000
System Improvements	52,694,399	47,253,899	65,500,884
Other Interest	2,527,728	921,608	0
Total Expenditures	<u>509,479,717</u>	<u>509,479,717</u>	<u>519,158,604</u>
Planned Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Budget	<u><u>509,479,717</u></u>	<u><u>509,479,717</u></u>	<u><u>519,158,604</u></u>

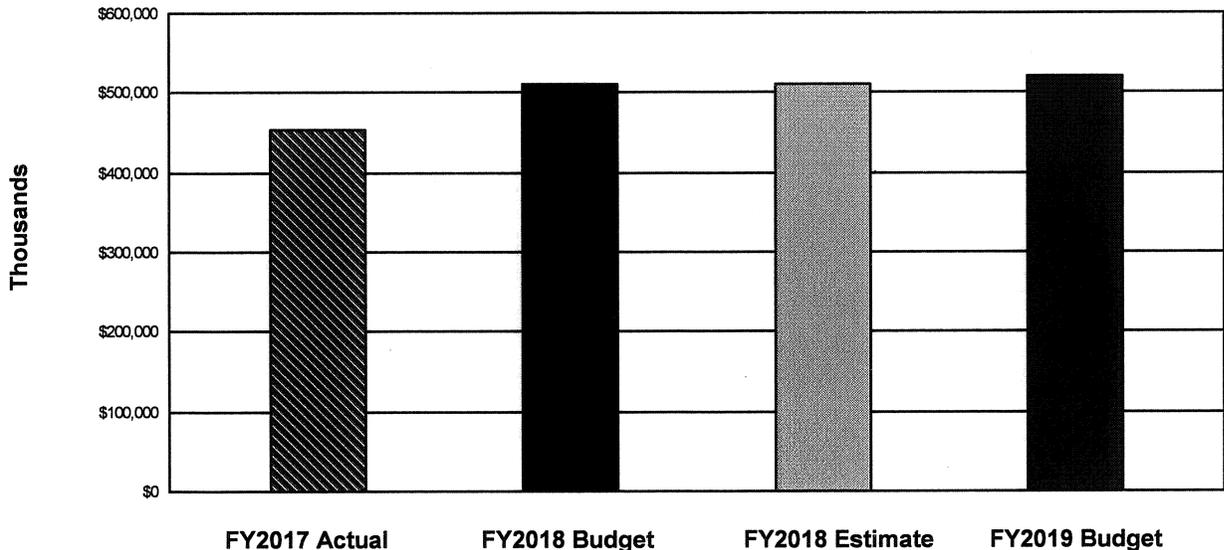


Business Area Budget Summary

Fund Name : HAS-Revenue Fund
 Business Area : Houston Airport System
 Fund No. /Bus. Area No. : 8001 / 2800

		FY2017 Actual	FY2018 Current Budget	FY2018 Estimate	FY2019 Budget
Expenditures	Personnel Services	56,721,289	107,685,068	105,425,366	107,963,583
	Supplies	7,794,657	9,291,200	8,127,783	9,388,694
	Other Services and Charges	181,557,452	191,352,095	182,349,312	195,855,043
	Non-Capital Equipment	668,851	2,511,490	1,818,801	2,906,850
	Total M & O Expenditures	246,742,249	310,839,853	297,721,262	316,114,170
	Debt Service & Other Uses	206,124,716	198,639,864	211,758,455	203,044,434
	Total Expenditure	452,866,965	509,479,717	509,479,717	519,158,604
Revenues		510,551,544	509,479,717	509,479,717	519,158,604
Staffing	Full-Time Equivalents - Civilian	1,151.9	1,199.8	1,099.7	1,164.8
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	0.0
	Total	1,151.9	1,199.8	1,099.7	1,164.8
	Full-Time Equivalents - Overtime	61.2	55.1	70.0	46.8
Significant Budget Changes and Highlights	<p>o The FY2019 Budget provides funding for the health benefits and pension contribution.</p> <p>o Continue to focus on providing world-class facilities and customer service in an effort to increase our SKYTRAX ratings at both IAH and HOU from four stars to five stars.</p> <p>o Increase in Garage Parking Revenues is attributable to increase in enplanements year over year; Signatory Landings and Terminal Space Rental Revenue increase is due to projected increase in M&O costs reimbursable by the airline.</p> <p>A note to the numbers above, FY2017 actual personnel includes a \$51.1 million credit adjustment related to pension reform and a \$4.6 million debit adjustment for OPEB that was booked at the end of the year. FY2018 and FY2019 personnel numbers do not include such adjustments.</p>				

**HAS-Revenue Fund
Houston Airport System
Expenditure Summary**



FISCAL YEAR 2019 BUDGET

Business Area Performance Measures				
Fund Name : HAS-Revenue Fund Business Area : Houston Airport System Fund No. /Bus. Area No. : 8001 / 2800				
Performance Measures	FY2017 Actual	FY2018 Budget	FY2018 Estimate	FY2019 Budget
Debt Service Coverage Ratio (FY17 is shown net of grants to match other years)	1.63	1.55	1.53	1.65
Passengers Clearing Customs and Border Protection within 30 Minutes (IAH)	80%	80%	79%	80%
Passengers Clearing Customs and Border Protection within 45 Minutes FY18, 35 minutes FY19 (HOU)	99%	90%	96%	90%
Passengers Clearing TSA within 15 Minutes (HOU)	97%	95%	97%	95%
Passengers Clearing TSA within 15 Minutes (IAH)	97.2%	95%	96%	95%
Total M&O per Enplaned Passenger for HAS	\$10.88	\$11.48	\$10.92	\$11.05
Total M&O per Enplaned Passenger for HOU	\$6.71	\$6.92	\$6.85	\$6.76
Total M&O per Enplaned Passenger for IAH	\$6.60	\$7.25	\$6.95	\$7.00
Expenditures Adopted Budget vs Actual Utilization	90%	98%	101%	98%
Revenues Adopted Budget vs Actual Utilization	102%	100%	101%	100%

FISCAL YEAR 2019 BUDGET

Division Summary							
Fund Name : HAS-Revenue Fund							
Business Area : Houston Airport System							
Fund No. /Bus Area No. : 8001 / 2800							
Division Description	FY2017 Actual		FY2018 Estimate		FY2019 Budget		
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$	
Office of the Director & External Affairs 280001 The Office of the Director consists of the Director's Office, Safety & Emergency Management, Municipal Affairs, External Affairs, Corporate Strategy and the Office of Business Opportunity .	32.0	6,706,658	31.0	7,452,884	36.0	7,739,188	
Finance & Administration 280002 The Finance Division consists of Financial Planning & Analysis, Accounting and Internal Audit. Finance exists to ensure that HAS generates the financial resources necessary to provide the facilities and services that passengers want.	51.0	172,839,477	22.7	231,002,081	20.0	214,929,014	
Commercial Development 280003 The Commercial Development Division plans and directs parking facilities and products, concession programs, airline agreements and real estate, air service development, and marketing to maximize customers choices, experiences, and grow non-airline revenue.	30.0	32,190,800	28.0	32,458,641	31.0	36,046,902	
George Bush Intercontinental Airport 280004 The IAH Division ensures the highest level of customer service for all passengers, visitors, tenants, and team members through a safe, secure and efficient operating environment by maintaining strict compliance with federal, state and local government regulations.	587.9	136,596,593	572.0	142,297,144	591.0	150,750,331	
Infrastructure 280005 The Infrastructure Division is responsible for planning, designing, constructing, and maintaining all HAS physical infrastructure as well as the procurement function. This division constantly monitors all landside facilities, which continue to be developed and maintained to optimize sustainability and life-cycle costs.	118.0	34,206,803	114.0	22,760,176	132.8	27,228,968	
Technology 280006 The purpose of the Technology Division is to provide technology systems and information that enhance the passenger experience and empowers the Houston Airports to meet its mission and vision. We aim to ensure passengers and business partners experience easy, pleasant, forward thinking, and efficient technology platforms where information is relevant and accessible.	60.0	15,610,316	57.0	17,376,824	68.0	23,101,486	

FISCAL YEAR 2019 BUDGET

Division Summary						
Fund Name : HAS-Revenue Fund						
Business Area : Houston Airport System						
Fund No. /Bus Area No. : 8001 / 2800						
Division Description	FY2017 Actual		FY2018 Estimate		FY2019 Budget	
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$
William P. Hobby Airport 280007 The HOU Division provides a safe, secure, and efficient airport that focuses attention on the needs of its customers, the talent of its employees and the vision of the Aviation Department. HOU's objective is to establish the most efficient and cost effective organization possible within the current economic environment.	226.0	44,691,650	230.0	46,383,022	235.0	47,863,786
Ellington Airport 280008 The EFD Division provides a safe, secure, and efficient airport focusing attention on the needs of its customers, the talent of its employees and the vision of the Aviation Department. Additionally, EFD is responsible for the development of the Houston Spaceport.	23.0	4,080,457	24.0	4,420,765	26.0	4,771,865
Human Capital Management 280010 The Human Capital Management Division provides services that enable the organization to attract, support, retain, and develop the diverse talent needed to achieve and sustain the airport's mission, vision and strategic objectives.	24.0	5,944,211	21.0	5,328,180	25.0	6,727,064
Total	<u>1,151.9</u>	<u>452,866,965</u>	<u>1,099.7</u>	<u>509,479,717</u>	<u>1,164.8</u>	<u>519,158,604</u>

FISCAL YEAR 2019 BUDGET

Business Area Revenues Summary

Fund Name : HAS-Revenue Fund
Business Area : Houston Airport System
Fund No./Bus. Area No. : 8001 / 2800

Category	FY2017 Actual	FY2018 Current Budget	FY2018 Estimate	FY2019 Budget
Licenses and Permits	312,908	363,260	363,260	400,000
Intergovernmental	2,339	0	0	0
Charges for Services	492,982,290	496,422,277	496,475,240	504,928,611
Other Fines and Forfeits	24	0	72	0
Interest	9,305,794	12,000,000	12,000,000	13,000,000
Miscellaneous/Other	7,920,522	694,180	612,396	829,993
Other Resources	27,667	0	28,749	0
Grand Total Revenues	510,551,544	509,479,717	509,479,717	519,158,604