

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. Our strategic priorities are to make our passengers happy, act responsibly to achieve social, environmental, and economic sustainability, build the platforms for future success and to invest in our partnerships and our employees.

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

Short-Term Goals

- Complete the ITRP Program to allow for more international passenger growth and relieve roadway traffic issues.
- Commence the domestic expansion of Terminal B at IAH and the West Concourse at HOU.
- Ensure the safety and well-being of our co-workers, passengers, partners, and contractors while we expand and renew our terminals and facilities.
- Take appropriate measures to manage costs, while developing aeronautical and non-aeronautical revenues to maintain fiscal health for the Houston Airport System.
- Poise the Houston Airport System to continue providing world-class facilities and customer service as passenger traffic levels grow with the Houston economy.
- Utilize grant opportunities provided to the Houston Airport System to manage debt, reduce capital outlay and maximize progress toward achievement of HAS Strategic and Capital Improvement Plan goals.

Long-Term Goals

- Improve facilities and expand services to enhance the passenger experience with the end goal of achieving and maintaining Skytrax ratings of 5 stars at both IAH (4 star) and HOU (5 star).
- Complete a Domestic Terminal Program at IAH to provide additional passenger, concessions, and airline capacity.
- Continue developing the Houston Spaceport to capture the tremendous growth projected for the space industry.
- Maintain debt service coverage ratio of at least 1.5x while implementing significant capital improvements to our Domestic and International facilities at IAH and HOU.
- Maintain airline cost per enplaned passenger (CPE) within levels that will keep IAH and HOU competitive with our peer airports.
- Invest approximately 2% of the gross book value of HAS capital assets annually into capital renewal.

FISCAL YEAR 2025 BUDGET

Business Area Program Summary

Business Area: Houston Airport System
Bus. Area No : 2800

Budget By Program (\$ in thousands):

Program	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
Administrative Services	37,052	65,592	45,644	76,344	41,240	96,982
Commercial Development	121,274	10,491	126,695	11,191	134,790	14,541
Infrastructure	30	85,620	30	104,135	0	106,183
Marketing, Air Service Development & Communications	0	2,955	0	3,380	0	4,718
Operations Management	0	93,194	0	106,406	0	115,058
Terminal Management	436,859	68,348	466,862	72,271	542,600	76,792
Debt Service and Interfund Transfers	0	325,158	0	265,504	0	304,356
Total	595,215	651,358	639,231	639,231	718,630	718,630

FTEs by Program:

Program	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Administrative Services	198.2	1.4	215.0	1.6	220.5	0.5
Commercial Development	29.5	0.2	31.0	0.2	36.2	0.2
Infrastructure	295.4	13.4	333.8	5.1	348.9	3.3
Marketing, Air Service Development & Communications	13.9	0.0	20.0	0.0	20.0	0.0
Operations Management	280.8	20.7	291.0	10.4	316.3	9.8
Terminal Management	349.2	29.2	411.0	19.8	428.5	16.1
Debt Service and Interfund Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Total:	1,167.0	64.9	1,301.8	37.1	1,370.4	29.9

FISCAL YEAR 2025 BUDGET

Business Area Program Detail

Business Area : Houston Airport System

Bus Area No. : 2800

Administrative Services

Description:

Administrative Services consists of the Director's Office, External Affairs, Finance, HCM, and Technology. These divisions support the entire Houston Airport System.

Goal:

Assist the divisions with meeting their goals and initiatives.

Mayor's Priority: Government that Works

(\$ in thousands)

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-AIF Capital Outlay	0	0	16,031	2,611	20,956	7,826
HAS-Revenue Fund	37,052	65,592	29,613	73,733	20,284	89,156
Total	<u>37,052</u>	<u>65,592</u>	<u>45,644</u>	<u>76,344</u>	<u>41,240</u>	<u>96,982</u>

Staffing:

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-AIF Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0
HAS-Revenue Fund	198.2	1.4	215.0	1.6	220.5	0.5
Total	<u>198.2</u>	<u>1.4</u>	<u>215.0</u>	<u>1.6</u>	<u>220.5</u>	<u>0.5</u>

Performance Measure:

Performance	FY2023 Actual	FY2024 Target	FY2024 Estimate	FY2025 Target
Days of cash on hand	653 Days	> 450 Days	> 450 Days	> 450 Days
Employee trainings focused on passengers	10	13	13	13
Expenditures Adopted Budget vs Actual Utilization	120%	98%	102%	98%
Revenues Adopted Budget vs Actual Utilization	110%	100%	102%	100%

FISCAL YEAR 2025 BUDGET

Business Area Program Detail

Business Area : Houston Airport System

Bus Area No. : 2800

Commercial Development

Description:

Commercial Development Group's primary function is to find ways for HAS to improve/grow non-airline revenue. Non-airline revenue consists of parking, terminal concessions, auto rental concessions, and facility rentals. The largest non-airline revenue for HAS is parking. HAS has 2 ecopark lots at IAH and one at HOU. There are currently four-garages at IAH and one at HOU.

Goal:

Grow non-airline revenues.

Mayor's Priority: Government that Works

(\$ in thousands)

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-Revenue Fund	121,274	10,491	126,695	11,191	134,790	14,541

Staffing:

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-Revenue Fund	29.5	0.2	31.0	0.2	36.2	0.2

Performance Measure:

Performance	FY2023 Actual	FY2024 Target	FY2024 Estimate	FY2025 Target
HOU receipts per ecopark parking transaction	\$36.06	\$40.84	\$33.56	\$40.84
HOU receipts per garage parking transaction	\$43.86	\$45.07	\$46.09	\$45.07
IAH receipts per ecopark parking transaction	\$32.03	\$32.27	\$31.49	\$32.27
IAH receipts per garage parking transaction	\$41.38	\$43.13	\$42.56	\$43.13

FISCAL YEAR 2025 BUDGET

Business Area Program Detail

Business Area : Houston Airport System

Bus Area No. : 2800

Infrastructure

Description:

Plans, designs, constructs and maintains capital assets.

Goal:

Achieve opening day fresh for our facilities by achieving maintenance and construction goals in addition to building a platform for future success.

Mayor's Priority: Infrastructure

(\$ in thousands)

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-AIF Capital Outlay	0	0	0	6,863	0	6,449
HAS-Revenue Fund	30	85,620	30	97,272	0	99,734
Total	<u>30</u>	<u>85,620</u>	<u>30</u>	<u>104,135</u>	<u>0</u>	<u>106,183</u>

Staffing:

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-AIF Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0
HAS-Revenue Fund	295.4	13.4	333.8	5.1	348.9	3.3
Total	<u>295.4</u>	<u>13.4</u>	<u>333.8</u>	<u>5.1</u>	<u>348.9</u>	<u>3.3</u>

Performance Measure:

Performance	FY2023 Actual	FY2024 Target	FY2024 Estimate	FY2025 Target
CIP budget vs actual utilization	43%	100%	80%	100%
CIP projects completed	69%	100%	92%	100%

FISCAL YEAR 2025 BUDGET

Business Area Program Detail

Business Area : Houston Airport System

Bus Area No. : 2800

Marketing, Air Service Development & Communications

Description:

Targeting and understanding the passenger's needs.

Goal:

Expand air service to Houston while seeking to gain a better understanding of our passengers and their needs/wants.

Mayor's Priority: Infrastructure

(\$ in thousands)

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-Revenue Fund	0	2,955	0	3,380	0	4,718

Staffing:

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-Revenue Fund	13.9	0.0	20.0	0.0	20.0	0.0

Performance Measure:

Performance	FY2023 Actual	FY2024 Target	FY2024 Estimate	FY2025 Target
Number of air carriers	28	28	28	28
Number of destinations	189	189	189	189
Number of domestic enplanements for HAS	22.9M	23.8M	23.8M	23.8M
Number of International enplanements	5.5M	5.8M	5.8M	5.8M

FISCAL YEAR 2025 BUDGET

Business Area Program Detail

Business Area : Houston Airport System

Bus Area No. : 2800

Operations Management

Description:

Comprised of airside, landside, and security groups at IAH, HOU and EFD. Operations ensures that the airfield, taxiways, and traffic is safe for passengers and the public.

Goal:

Provide a safe, secure, and efficient environment at all three airports.

Mayor's Priority: Infrastructure

(\$ in thousands)

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-AIF Capital Outlay	0	0	0	5,937	0	5,786
HAS-Revenue Fund	0	93,194	0	100,469	0	109,272
Total	<u>0</u>	<u>93,194</u>	<u>0</u>	<u>106,406</u>	<u>0</u>	<u>115,058</u>

Staffing:

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-AIF Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0
HAS-Revenue Fund	280.8	20.7	291.0	10.4	316.3	9.8
Total	<u>280.8</u>	<u>20.7</u>	<u>291.0</u>	<u>10.4</u>	<u>316.3</u>	<u>9.8</u>

Performance Measure:

Performance	FY2023 Actual	FY2024 Target	FY2024 Estimate	FY2025 Target
Number of Federal Airport Regulation 139 discrepancies at HOU	0	0	0	0
Number of Federal Airport Regulation 139 discrepancies at EFD	0	0	0	0
Number of Federal Airport Regulation 139 discrepancies at IAH	4	0	0	0

FISCAL YEAR 2025 BUDGET

Business Area Program Detail

Business Area : Houston Airport System

Bus Area No. : 2800

Terminal Management

Description:

Oversight of the customer service and custodial aspects at both IAH and HOU.

Goal:

Wow our passengers.

Mayor's Priority: Infrastructure

(\$ in thousands)

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-AIF Capital Outlay	0	0	0	620	0	895
HAS-Revenue Fund	436,859	68,348	466,862	71,651	542,600	75,897
Total	<u>436,859</u>	<u>68,348</u>	<u>466,862</u>	<u>72,271</u>	<u>542,600</u>	<u>76,792</u>

Staffing:

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-AIF Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0
HAS-Revenue Fund	349.2	29.2	411.0	19.8	428.5	16.1
Total	<u>349.2</u>	<u>29.2</u>	<u>411.0</u>	<u>19.8</u>	<u>428.5</u>	<u>16.1</u>

Performance Measure:

Performance	FY2023 Actual	FY2024 Target	FY2024 Estimate	FY2025 Target
Achieve IAH Skytrax Rating of 5 stars	4	5	4	5
Maintain Skytrax rating of 5 stars at HOU	5	5	5	5

FISCAL YEAR 2025 BUDGET

Business Area Program Detail

Business Area : Houston Airport System

Bus Area No. : 2800

Debt Service and Interfund Transfers

Description:

Budget allocations included in this section reflect debt service payments and/or interfund transfers.

Goal:

To effectively manage debt service payments and interfund transfers.

Mayor's Priority: Government that Works

(\$ in thousands)

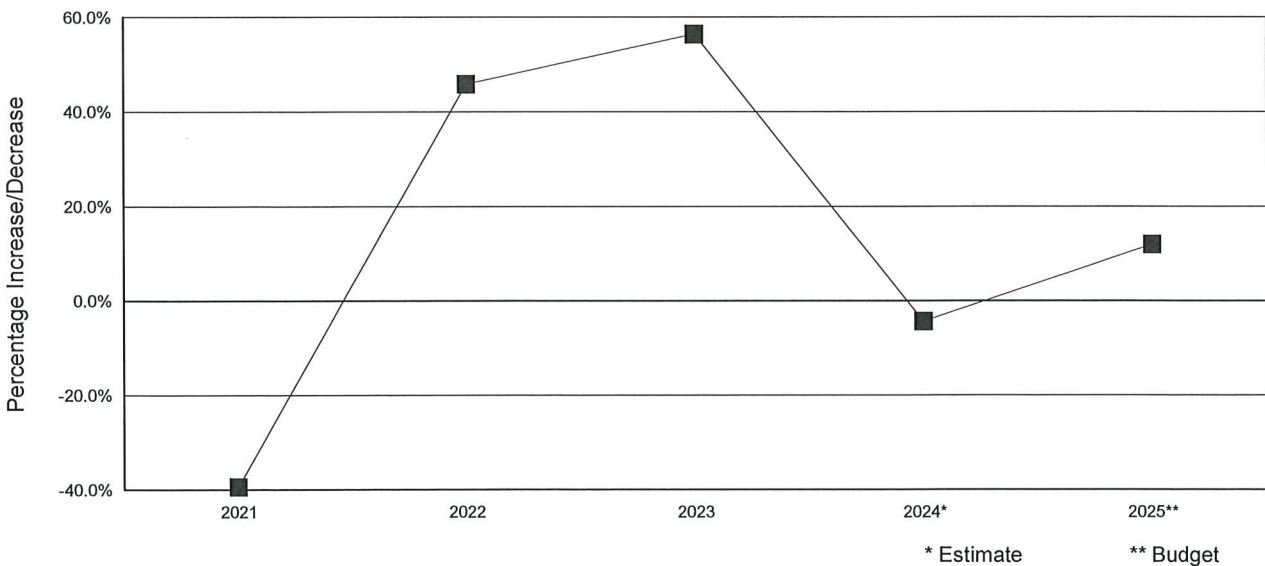
Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-Revenue Fund	0	325,158	0	265,504	0	304,356

FISCAL YEAR 2025 BUDGET

Business Area Budget Summary

Fund Name :		HAS-Revenue Fund			
Business Area :		Houston Airport System			
Fund No. /Bus. Area No. :		8001 / 2800			
		FY2023 Actual	FY2024 Current Budget	FY2024 Estimate	FY2025 Budget
Expenditures	Personnel Services	127,136,365	141,475,787	137,819,798	144,592,636
	Supplies	8,235,880	9,685,161	8,470,949	9,642,258
	Other Services and Charges	188,914,380	222,088,153	209,406,034	235,395,284
	Non-Capital Equipment	1,913,348	2,903,022	2,000,302	3,687,925
	Total M & O Expenditures	326,199,973	376,152,123	357,697,083	393,318,103
	Debt Service & Other Uses	325,158,204	247,048,606	265,503,646	304,356,217
	Total Expenditure	651,358,177	623,200,729	623,200,729	697,674,320
Revenues		595,214,758	623,200,729	623,200,729	697,674,320
Staffing	Full-Time Equivalents - Civilian	1,167.0	1,309.6	1,301.8	1,370.4
	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	1,167.0	1,309.6	1,301.8	1,370.4
	Full-Time Equivalents - Overtime	64.9	35.6	37.1	29.9
Significant Budget Changes and Highlights	o The FY2025 Budget provides funding for health benefits and pension contributions.				
	o The FY2025 Budget provides funding to secure our airport system, to provide world class customer service, grow our non-airline revenues, and plan for the modernization and expansion of our facilities.				
	o The FY2025 Budget includes funding for the debt service of \$165 million. The debt service expense is also anticipated to be funded from Passenger Facility Charges (PFCs).				
	o Funding for Parking Service and Automated People Movers contracts will be funded from Airport Improvement Fund (8011).				

**HAS-Revenue Fund
Houston Airport System
Year over Year Expenditure Change**



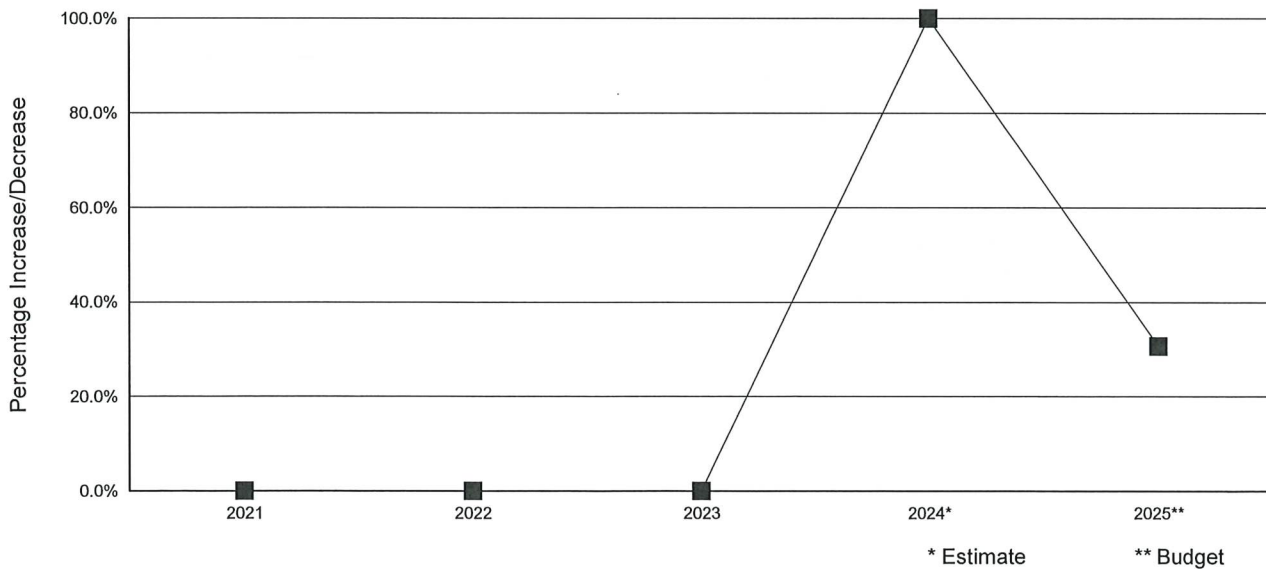
FISCAL YEAR 2025 BUDGET

Business Area Budget Summary

Fund Name : HAS-AIF Capital Outlay
 Business Area : Houston Airport System
 Fund No. /Bus. Area No. : 8012 / 2800

		FY2023 Actual	FY2024 Current Budget	FY2024 Estimate	FY2025 Budget
Expenditures	Equipment	0	34,984,900	16,030,644	20,955,786
	Total M & O Expenditures	0	34,984,900	16,030,644	20,955,786
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	0	34,984,900	16,030,644	20,955,786
Revenues		0	34,984,900	16,030,644	20,955,786
Staffing	Full-Time Equivalents - Civilian	0.0	0.0	0.0	0.0
	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	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0
Significant Budget Changes and Highlights	<p>oThe FY2025 Budget for Fund 8012 includes \$21 million for rolling stock, Aircraft Rescue and Fire Fighting (ARFF) training equipment, and technology.</p> <p>oThe FY2025 Budget includes a \$13.4 million funding for new and carryover rolling stock requests for Houston Airport System, \$3.8 million funding for AFRR vehicles and training equipment, and \$1 million for vehicles for Houston Police Department.</p> <p>oThe FY2025 Budget includes \$2.5 million funding for end-of-life items for technology which includes switches, routers, and servers, and \$0.2 million for capital custodial equipment.</p>				

**HAS-AIF Capital Outlay
 Houston Airport System
 Year over Year Expenditure Change**



FISCAL YEAR 2025 BUDGET

Business Area Revenues Summary

Business Area : Houston Airport System

Business Area No. : 2800

Category	FY2023 Actual	FY2024 Current Budget	FY2024 Estimate	FY2025 Budget
Charges for Services	557,784,721	593,619,885	593,409,221	677,244,320
Direct Interfund Services	524,026	0	0	0
Interest	21,855,150	27,943,338	27,976,538	19,000,000
Licenses and Permits	518,944	550,000	550,000	540,000
Miscellaneous/Other	1,939,451	1,087,506	1,264,970	890,000
Other Fines and Forfeits	24	0	0	0
Other Resources	12,592,442	34,984,900	16,030,644	20,955,786
Grand Total	595,214,758	658,185,629	639,231,373	718,630,106