

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, achieve "opening day fresh" condition for our airports, 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.).

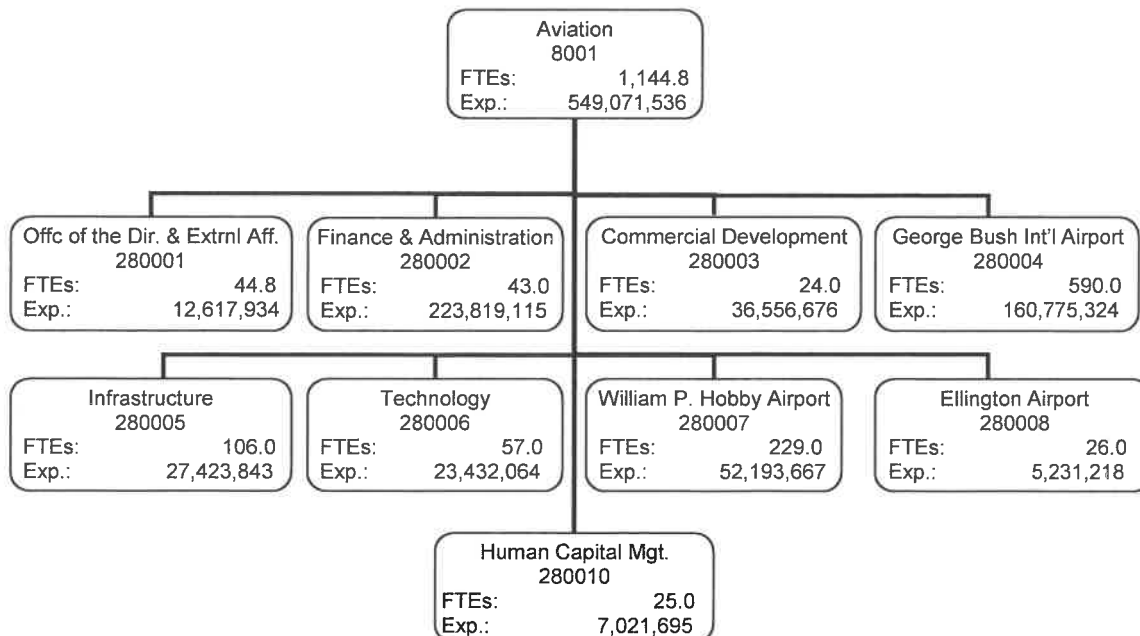
Short-Term Goals

- Partner with the TSA and CBP to implement Facial Recognition at IAH and HOU.
- Implement Parking Access Revenue Control System (PARCS) at IAH and HOU to increase parking revenue.
- Initiate steps to create a culture of passenger-centric airport professionals.
- Implement integrated employee scheduling system.

Long-Term Goals

- Expand services to enhance the passenger experience with the end goal of achieving Skytrax ratings of 5 stars at both IAH and HOU.
- Complete Domestic and International Terminal Programs at IAH to provide additional capacity.
- Enhance passenger experience and decrease environmental footprint by constructing a consolidated rental car facility at HOU.
- Maintain debt service coverage ratio of at least 1.5x while implementing significant capital improvements to our Domestic and International facilities at IAH.
- Maintain airline cost per enplaned passenger (CPE) within level that will keep IAH and HOU competitive with peer airports.
- Invest approximately 1% of the book value of HAS capital assets annually into capital renewal.

Department Organization



FISCAL YEAR 2020 BUDGET

Fund Summary

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

	<u>FY2019</u> <u>Current Budget</u>	<u>FY2019</u> <u>Estimate</u>	<u>FY2020</u> <u>Budget</u>
Beginning Fund Balance	0	0	0
Current Revenues	526,226,018	526,226,018	549,071,536
Total Available Resources	<u>526,226,018</u>	<u>526,226,018</u>	<u>549,071,536</u>
Maintenance and Operations	316,220,670	307,962,079	338,838,520
Debt Services	122,437,050	114,484,459	126,125,543
Renewal / Replacement Cap. Exps.	15,000,000	15,000,000	10,000,000
System Improvements	72,568,298	88,779,480	74,107,473
Other Interest	0	0	0
Total Expenditures	<u>526,226,018</u>	<u>526,226,018</u>	<u>549,071,536</u>
Planned Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Budget	<u><u>526,226,018</u></u>	<u><u>526,226,018</u></u>	<u><u>549,071,536</u></u>



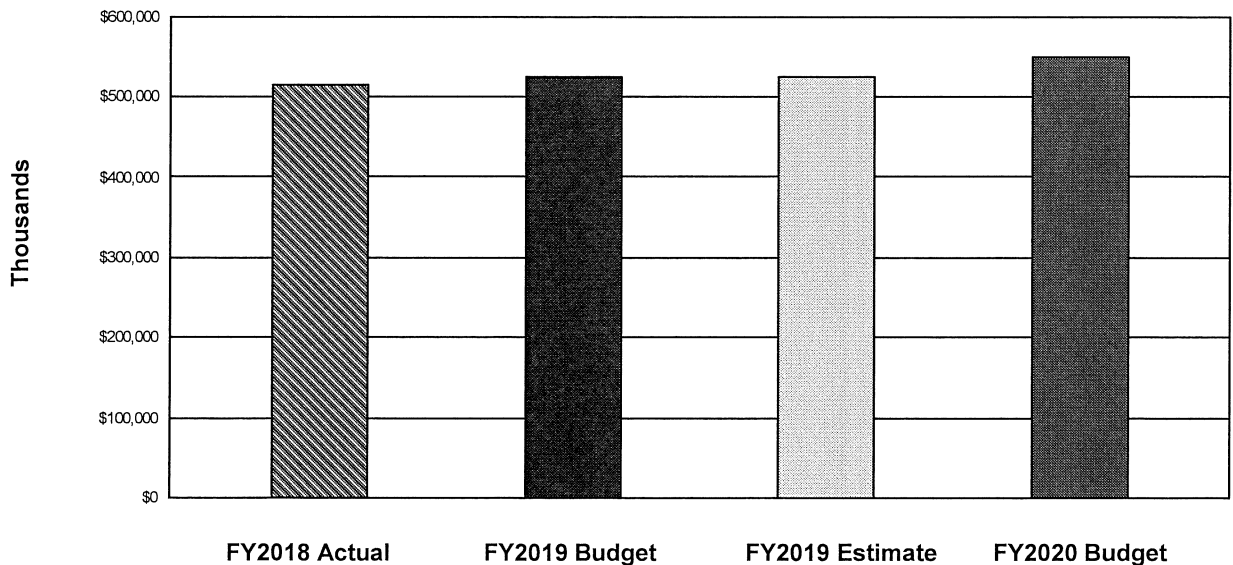
FISCAL YEAR 2020 BUDGET

Business Area Budget Summary

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

		FY2018 Actual	FY2019 Current Budget	FY2019 Estimate	FY2020 Budget
Expenditures	Personnel Services	104,999,259	107,963,583	104,924,082	110,153,420
	Supplies	8,136,033	9,580,894	8,588,529	9,418,194
	Other Services and Charges	183,153,946	196,527,143	192,682,118	215,873,998
	Non-Capital Equipment	1,777,801	2,042,550	1,660,850	3,286,408
	Total M & O Expenditures	298,067,039	316,114,170	307,855,579	338,732,020
	Debt Service & Other Uses	216,709,670	210,111,848	218,370,439	210,339,516
	Total Expenditure	514,776,709	526,226,018	526,226,018	549,071,536
Revenues		521,999,634	526,226,018	526,226,018	549,071,536
Staffing	Full-Time Equivalents - Civilian	1,117.8	1,164.8	1,101.0	1,144.8
	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	1,117.8	1,164.8	1,101.0	1,144.8
	Full-Time Equivalents - Overtime	74.8	55.1	70.0	50.7
Significant Budget Changes and Highlights	<ul style="list-style-type: none"> o The FY2020 Budget provides funding for health benefits, pension contribution, and municipal employees contractual pay increases. 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 4 stars to 5 stars. o The FY2020 Budget provides for increased cost associated with Proposition B. o The FY2020 Budget provides funding for implementation of various initiatives to achieve 5 Star SkyTrax ratings. 				

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



FISCAL YEAR 2020 BUDGET

Business Area Performance Measures				
Fund Name : HAS-Revenue Fund Business Area : Houston Airport System Fund No. /Bus. Area No. : 8001 / 2800				
Performance Measures	FY2018 Actual	FY2019 Target	FY2019 Estimate	FY2020 Target
Debt Service Coverage Ratio	1.58	1.65	1.77	1.64
Passengers Clearing Customs and Border Protection within 30 Minutes (IAH)	80%	80%	80%	80%
Passengers Clearing Customs and Border Protection within 45 Minutes FY18, 35 minutes FY19 (HOU)	97%	90%	91.7%	90%
Passengers Clearing TSA within 15 Minutes (HOU)	97.5%	95%	98.7%	95%
Passengers Clearing TSA within 15 Minutes (IAH)	95%	95%	92%	95%
Total M&O per Enplaned Passenger for HAS	\$10.93	\$11.05	\$10.41	\$11.27
Total M&O per Enplaned Passenger for HOU	\$7.20	\$6.76	\$6.69	\$6.90
Total M&O per Enplaned Passenger for IAH	\$6.78	\$7.00	\$6.80	\$7.15
Expenditures Adopted Budget vs Actual Utilization	102%	98%	101%	98%
Revenues Adopted Budget vs Actual Utilization	104%	100%	101%	100%

FISCAL YEAR 2020 BUDGET

Division Summary							
Fund Name : HAS-Revenue Fund							
Business Area : Houston Airport System							
Fund No. /Bus Area No. : 8001 / 2800							
Division Description	FY2018 Actual		FY2019 Estimate		FY2020 Budget		
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$	
Office of the Director & External Affairs 280001 Under the Department of Aviation, the Director serves as the Chief executive Officer of the George Bush Intercontinental Airport (IAH), the William P. Hobby Airport (HOU), and Ellington Airport (EFD). The Director's Office oversees the following divisions Safety & Emergency Management, Internal Audit, External Affairs, Corporate Strategy, the Office of Business Opportunity and in FY20, Marketing has been reassigned from Commercial Development.	41.2	9,407,827	40.0	9,927,867	44.8	12,617,934	
Finance & Administration 280002 The Finance Division consists of Accounts Payable, Accounts Receivable, Construction & Grant Accounting, General Accounting and Financial Planning & Analysis. Finance exists to ensure that HAS generates the financial resources necessary to achieve the objectives and goals of the organization.	47.0	231,589,256	43.0	233,476,283	43.0	223,819,115	
Commercial Development 280003 The Commercial Development Division develops and manages use/lease agreements, attracts/expands air carrier service to/from Houston, manages food & beverage, retail and other agreements, provides products to meet parking needs. The core objective for the Division is to augment choices and experiences for passengers while growing non-airline revenue.	25.0	31,167,988	24.0	33,360,144	24.0	36,556,676	
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.	565.2	140,711,722	569.0	146,607,186	590.0	160,775,324	
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 facilities, which continue to be developed and maintained to optimize sustainability and life-cycle costs.	112.9	26,659,651	103.0	22,626,531	106.0	27,423,843	

FISCAL YEAR 2020 BUDGET

Division Summary							
Fund Name : HAS-Revenue Fund							
Business Area : Houston Airport System							
Fund No. /Bus Area No. : 8001 / 2800							
Division Description	FY2018 Actual		FY2019 Estimate		FY2020 Budget		
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$	
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. It aims to ensure passengers and business partners experience easy, pleasant, forward thinking, and efficient technology platforms where information is relevant and accessible.	57.0	18,095,887	54.0	19,573,102	57.0	23,432,064	
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.	224.3	46,966,444	220.0	49,893,035	229.0	52,193,667	
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.	24.2	4,825,378	25.0	4,730,585	26.0	5,231,218	
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.	21.0	5,352,556	23.0	6,031,285	25.0	7,021,695	
Total	1,117.8	514,776,709	1,101.0	526,226,018	1,144.8	549,071,536	

FISCAL YEAR 2020 BUDGET

Business Area Revenues Summary

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

Category	FY2018 Actual	FY2019 Current Budget	FY2019 Estimate	FY2020 Budget
Licenses and Permits	508,325	400,000	350,000	400,000
Charges for Services	505,643,885	507,246,025	506,820,919	526,522,537
Other Fines and Forfeits	72	0	48	0
Interest	13,348,714	17,750,000	18,750,000	21,500,000
Miscellaneous/Other	2,444,985	829,993	(35,384)	648,999
Other Resources	53,653	0	340,435	0
Grand Total Revenues	<u>521,999,634</u>	<u>526,226,018</u>	<u>526,226,018</u>	<u>549,071,536</u>