

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.).

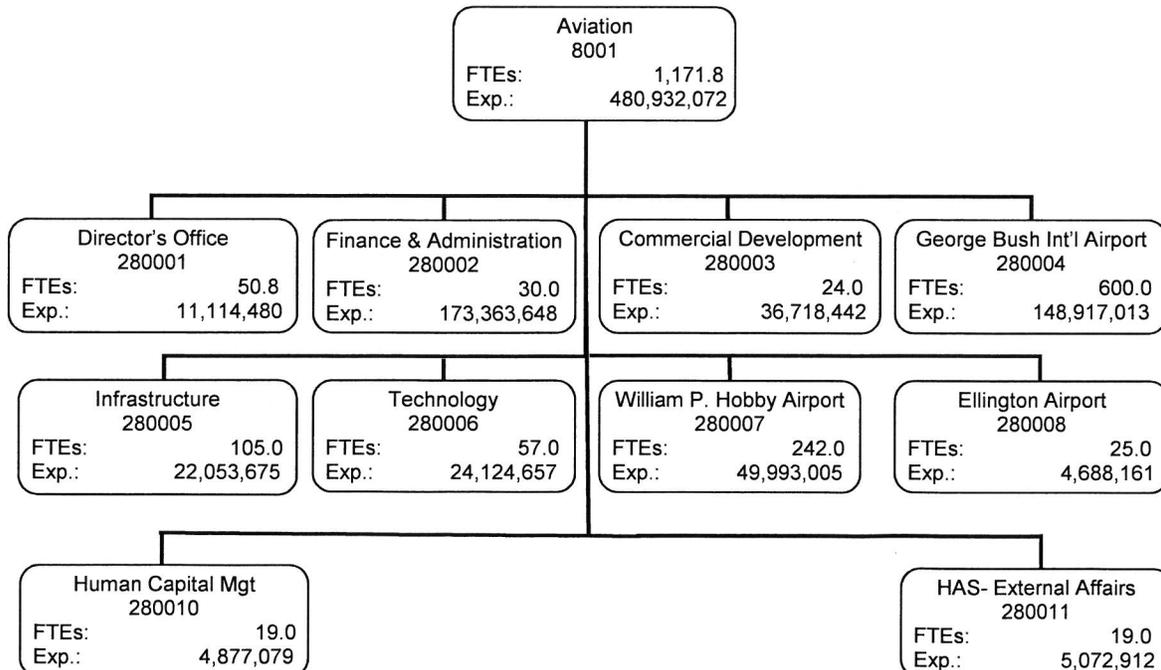
Short-Term Goals

- 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 2021 BUDGET

Fund Summary

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

	FY2020 Current Budget	FY2020 Estimate	FY2021 Budget
Beginning Fund Balance	0	0	0
Current Revenues	492,601,390	492,601,390	480,923,072
Total Available Resources	<u>492,601,390</u>	<u>492,601,390</u>	<u>480,923,072</u>
Maintenance and Operations	335,176,708	304,635,210	325,222,075
Debt Services	126,125,543	125,304,882	125,432,387
Renewal / Replacement Cap. Exps.	10,000,000	10,000,000	23,500,000
System Improvements	21,299,139	52,661,298	6,768,610
Other Interest	0	0	0
Total Expenditures	<u>492,601,390</u>	<u>492,601,390</u>	<u>480,923,072</u>
Planned Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Budget	<u><u>492,601,390</u></u>	<u><u>492,601,390</u></u>	<u><u>480,923,072</u></u>



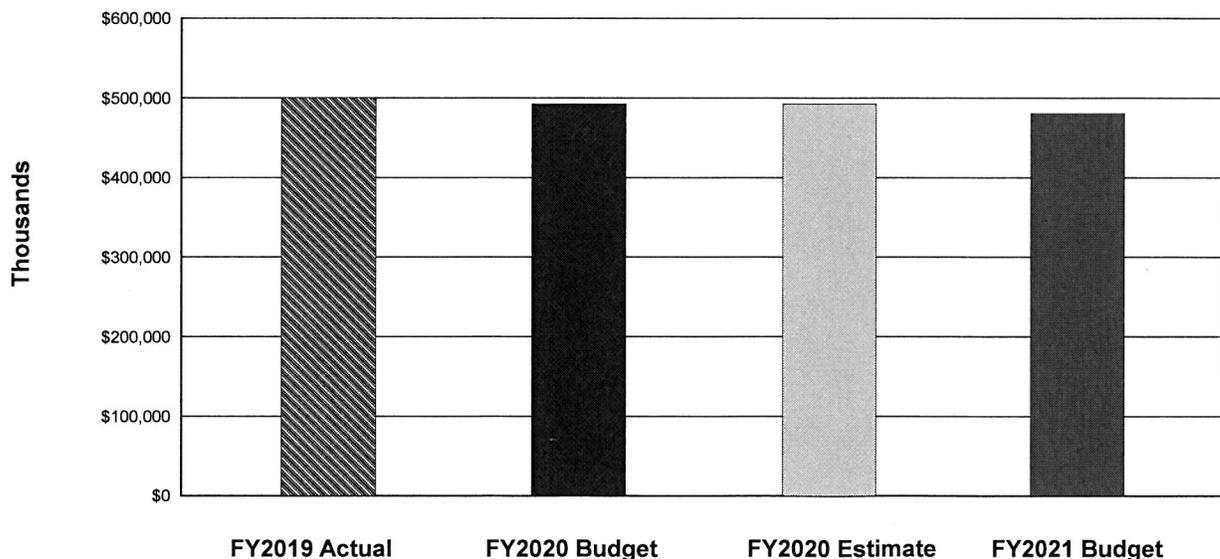
FISCAL YEAR 2021 BUDGET

Business Area Budget Summary

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

		FY2019 Actual	FY2020 Current Budget	FY2020 Estimate	FY2021 Budget
Expenditures	Personnel Services	103,268,544	110,153,420	104,299,182	114,075,490
	Supplies	8,390,474	9,536,994	8,455,727	6,600,677
	Other Services and Charges	185,713,419	212,745,703	190,553,946	202,559,576
	Non-Capital Equipment	1,097,017	2,634,091	1,219,855	1,879,832
	Total M & O Expenditures	<u>298,469,454</u>	<u>335,070,208</u>	<u>304,528,710</u>	<u>325,115,575</u>
	Debt Service & Other Uses	201,863,713	157,531,182	188,072,680	155,807,497
	Total Expenditure	<u>500,333,167</u>	<u>492,601,390</u>	<u>492,601,390</u>	<u>480,923,072</u>
Revenues		518,710,741	492,601,390	492,601,390	480,923,072
Staffing	Full-Time Equivalents - Civilian	1,086.0	1,144.8	1,098.0	1,171.8
	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	<u>1,086.0</u>	<u>1,144.8</u>	<u>1,098.0</u>	<u>1,171.8</u>
	Full-Time Equivalents - Overtime	73.3	50.7	73.0	56.2
Significant Budget Changes and Highlights	<ul style="list-style-type: none"> o The FY2021 Budget provides funding for health benefits, pension contribution, and municipal employees contractual pay increases. o The COVID-19 Pandemic is wreaking havoc with air travel and will likely continue to do so for at least the first few months of FY2021. This is causing severe declines in revenue to HAS related to Concessions and Parking. o HAS has undertaken various efforts to maintain a flat budget in FY2021 versus last year, but will continue to focus on providing world-class facilities and customer service at our airports despite the difficult operating conditions. 				

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



FISCAL YEAR 2021 BUDGET

Business Area Performance Measures				
Fund Name : HAS-Revenue Fund Business Area : Houston Airport System Fund No. /Bus. Area No. : 8001 / 2800				
Performance Measures	FY2019 Actual	FY2020 Target	FY2020 Estimate	FY2021 Target
Debt Service Coverage Ratio	1.65	1.64	1.50	1.50
Total M&O per Enplaned Passenger for HAS	\$10.01	\$11.15	\$13.30	\$15.26
Total M&O per Enplaned Passenger for HOU	\$6.78	\$6.80	\$8.47	\$9.32
Total M&O per Enplaned Passenger for IAH	\$6.39	\$7.02	\$8.47	\$9.33
Total Operating Revenue per Enplaned Passenger for HAS	\$16.68	0	\$20.58	\$21.69
Total Operating Revenue per Enplaned Passenger for HOU	\$14.67	0	\$17.40	\$18.00
Total Operating Revenue per Enplaned Passenger for IAH	\$17.79	0	\$21.55	\$22.76
Expenditures Adopted Budget vs Actual Utilization	96%	98%	90%	98%
Revenues Adopted Budget vs Actual Utilization	100%	100%	90%	100%

FISCAL YEAR 2021 BUDGET

Division Summary							
Fund Name : HAS-Revenue Fund							
Business Area : Houston Airport System							
Fund No. /Bus Area No. : 8001 / 2800							
Division Description		FY2019 Actual		FY2020 Estimate		FY2021 Budget	
		FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$
Director's Office	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, the Office of Business Opportunity.		17.2	5,106,769	28.0	4,789,487	50.8	11,114,480
Finance & Administration	280002						
The Finance Division consists of Accounts Payable, Accounts Receivable, Construction & Grant Accounting, General Accounting, Financial Planning & Analysis, Internal Audit and Corporate Strategy. Finance exists to ensure that HAS generates the financial resources necessary to achieve the objectives and goals of the organization.		46.0	216,246,698	44.0	203,122,300	30.0	173,363,648
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.		23.5	32,731,886	23.0	33,896,423	24.0	36,718,442
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.		561.3	143,696,726	570.0	148,011,661	600.0	148,917,013
Infrastructure	280005						
The Infrastructure Division is responsible for the planning, design and construction of capital projects, the maintenance, and supply chain management functions. The division manages the Houston Airport System capital renewal program and constantly monitors all facilities, which are developed and maintained to an opening day fresh condition, which optimizes sustainability and total cost of ownership.		103.0	18,016,570	97.0	19,663,791	105.0	22,053,675
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.		54.8	20,274,587	56.0	22,893,015	57.0	24,124,657

FISCAL YEAR 2021 BUDGET

Division Summary							
Fund Name : HAS-Revenue Fund							
Business Area : Houston Airport System							
Fund No. /Bus Area No. : 8001 / 2800							
Division Description	FY2019 Actual		FY2020 Estimate		FY2021 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.	215.9	49,667,115	226.0	46,005,490	242.0	49,993,005	
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.	24.5	4,754,014	21.0	4,293,652	25.0	4,688,161	
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.	22.8	5,559,406	16.0	5,560,533	19.0	4,877,079	
HAS - External Affairs 280011 The External Affairs Division promotes HAS as a premier international gateway that provides consistent, high-level customer service and provides vital support for new and expanded air service development to fuel the local economy and increase traffic through our airports.	17.0	4,279,396	17.0	4,365,038	19.0	5,072,912	
Total	1,086.0	500,333,167	1,098.0	492,601,390	1,171.8	480,923,072	

FISCAL YEAR 2021 BUDGET

Business Area Revenues Summary

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

Category	FY2019 Actual	FY2020 Current Budget	FY2020 Estimate	FY2021 Budget
Licenses and Permits	443,706	400,000	500,000	400,000
Charges for Services	497,122,764	471,467,186	471,194,853	462,431,458
Other Fines and Forfeits	72	0	96	0
Interest	19,680,844	20,000,000	20,000,000	17,275,000
Miscellaneous/Other	944,051	734,204	906,441	816,614
Other Resources	519,304	0	0	0
Grand Total Revenues	<u>518,710,741</u>	<u>492,601,390</u>	<u>492,601,390</u>	<u>480,923,072</u>