

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

- 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 aviation and concession revenues to maintain fiscal health as we emerge from the COVID-19 driven economic crisis.
- Poise the Houston Airport System to continue providing world-class facilities and customer service as passenger traffic levels return to and surpass pre-COVID-19 levels.
- 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 Domestic and International Terminal Programs at IAH to provide additional passenger, concessions and airline capacity.
- 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 2024 BUDGET

Business Area Program Summary

Business Area: Houston Airport System

Bus. Area No : 2800

Budget By Program (\$ in thousands):

Program	FY2022 Actual		FY2023 Estimate		FY2024 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
Administrative Services	10,169	41,660	17,394	70,701	13,436	87,656
Commercial Development	102,038	9,216	118,369	10,239	124,753	12,746
Infrastructure	28	75,788	22	83,011	30	106,123
Marketing, Air Service Development & Communications	0	2,675	0	2,739	0	3,891
Operations Management	0	87,579	0	95,027	0	108,693
Terminal Management	377,793	54,319	420,135	66,059	453,223	70,408
Debt Service and Interfund Transfers	0	145,212	0	231,883	0	236,911
Total	490,028	416,448	555,920	559,659	591,441	626,426

FTEs by Program:

Program	FY2022 Actual		FY2023 Estimate		FY2024 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Administrative Services	195.7	1.3	210.0	1.6	216.3	0.0
Commercial Development	30.0	0.2	30.0	0.2	31.3	0.0
Infrastructure	302.4	8.9	299.4	14.1	316.6	2.0
Marketing, Air Service Development & Communications	12.5	0.0	16.0	0.0	16.8	0.0
Operations Management	284.7	23.1	296.0	21.6	300.6	11.9
Terminal Management	289.8	24.3	377.0	30.0	390.4	12.8
Debt Service and Interfund Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Total:	1,115.1	57.8	1,228.4	67.5	1,272.0	26.7

FISCAL YEAR 2024 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: Sound Financial Management

(\$ in thousands)

Fund	FY2022 Actual		FY2023 Estimate		FY2024 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-AIF Capital Outlay	0	0	0	1,581	0	5,780
HAS-Revenue Fund	10,169	41,660	17,394	69,120	13,436	81,875
Total	10,169	41,660	17,394	70,701	13,436	87,655

Staffing:

Fund	FY2022 Actual		FY2023 Estimate		FY2024 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	195.7	1.3	210.0	1.6	216.3	0.0
Total	195.7	1.3	210.0	1.6	216.3	0.0

Performance Measure:

Performance	FY2022 Actual	FY2023 Target	FY2023 Estimate	FY2024 Target
Days of cash on hand	704 Days	> 450 Days	653 Days	> 450 Days
Employee trainings focused on passengers	4	10	10	13
Expenditures Adopted Budget vs Actual Utilization	93%	98%	103%	98%
Revenues Adopted Budget vs Actual Utilization	109%	100%	103%	100%

FISCAL YEAR 2024 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: Sound Financial Management

(\$ in thousands)

Fund	FY2022 Actual		FY2023 Estimate		FY2024 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-Revenue Fund	102,038	9,216	118,369	10,239	124,753	12,746

Staffing:

Fund	FY2022 Actual		FY2023 Estimate		FY2024 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-Revenue Fund	30.0	0.2	30.0	0.2	31.3	0.0

Performance Measure:

Performance	FY2022 Actual	FY2023 Target	FY2023 Estimate	FY2024 Target
HOU receipts per ecopark parking transaction	\$35.47	\$38.17	\$36.06	\$40.84
HOU receipts per garage parking transaction	\$41.56	\$48.41	\$43.86	\$45.07
IAH receipts per ecopark parking transaction	\$29.58	\$28.82	\$32.03	\$32.27
IAH receipts per garage parking transaction	\$41.84	\$40.99	\$41.38	\$43.13

FISCAL YEAR 2024 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: Services & Infrastructure

(\$ in thousands)

Fund	FY2022 Actual		FY2023 Estimate		FY2024 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-AIF Capital Outlay	0	0	0	1,595	0	19,449
HAS-Revenue Fund	28	75,788	22	81,416	30	86,674
Total	28	75,788	22	83,011	30	106,123

Staffing:

Fund	FY2022 Actual		FY2023 Estimate		FY2024 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	302.4	8.9	299.4	14.1	316.6	2.0
Total	302.4	8.9	299.4	14.1	316.6	2.0

Performance Measure:

Performance	FY2022 Actual	FY2023 Target	FY2023 Estimate	FY2024 Target
CIP budget vs actual utilization	72%	100%	43%	100%
CIP projects completed	72%	100%	69%	100%

FISCAL YEAR 2024 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: Services & Infrastructure

(\$ in thousands)

Fund	FY2022 Actual		FY2023 Estimate		FY2024 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-Revenue Fund	0	2,675	0	2,739	0	3,891

Staffing:

Fund	FY2022 Actual		FY2023 Estimate		FY2024 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
HAS-Revenue Fund	12.5	0.0	16.0	0.0	16.8	0.0

Performance Measure:

Performance	FY2022 Actual	FY2023 Target	FY2023 Estimate	FY2024 Target
Number of air carriers	26	28	28	28
Number of destinations	195	189	189	189
Number of domestic enplanements for HAS	21.5M	24.0M	22.9M	23.8M
Number of International enplanements	4.6M	5.0M	5.5M	5.8M

FISCAL YEAR 2024 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: Services & Infrastructure

(\$ in thousands)

Fund	FY2022 Actual		FY2023 Estimate		FY2024 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-AIF Capital Outlay	0	0	0	476	0	7,636
HAS-Revenue Fund	0	87,579	0	94,551	0	101,057
Total	<u>0</u>	<u>87,579</u>	<u>0</u>	<u>95,027</u>	<u>0</u>	<u>108,693</u>

Staffing:

Fund	FY2022 Actual		FY2023 Estimate		FY2024 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	284.7	23.1	296.0	21.6	300.6	11.9
Total	<u>284.7</u>	<u>23.1</u>	<u>296.0</u>	<u>21.6</u>	<u>300.6</u>	<u>11.9</u>

Performance Measure:

Performance	FY2022 Actual	FY2023 Target	FY2023 Estimate	FY2024 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	1	0	4	0

FISCAL YEAR 2024 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: Services & Infrastructure

(\$ in thousands)

Fund	FY2022 Actual		FY2023 Estimate		FY2024 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-AIF Capital Outlay	0	0	0	88	0	2,120
HAS-Revenue Fund	377,793	54,319	420,135	65,971	453,223	68,288
Total	377,793	54,319	420,135	66,059	453,223	70,408

Staffing:

Fund	FY2022 Actual		FY2023 Estimate		FY2024 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	289.8	24.3	377.0	30.0	390.4	12.8
Total	289.8	24.3	377.0	30.0	390.4	12.8

Performance Measure:

Performance	FY2022 Actual	FY2023 Target	FY2023 Estimate	FY2024 Target
Achieve IAH Skytrax Rating of 5 stars	4	4	4	5
Maintain Skytrax rating of 5 stars at HOU	5	5	5	5

FISCAL YEAR 2024 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: Other

(\$ in thousands)

Fund	FY2022 Actual		FY2023 Estimate		FY2024 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
HAS-Revenue Fund	0	145,212	0	231,883	0	236,911

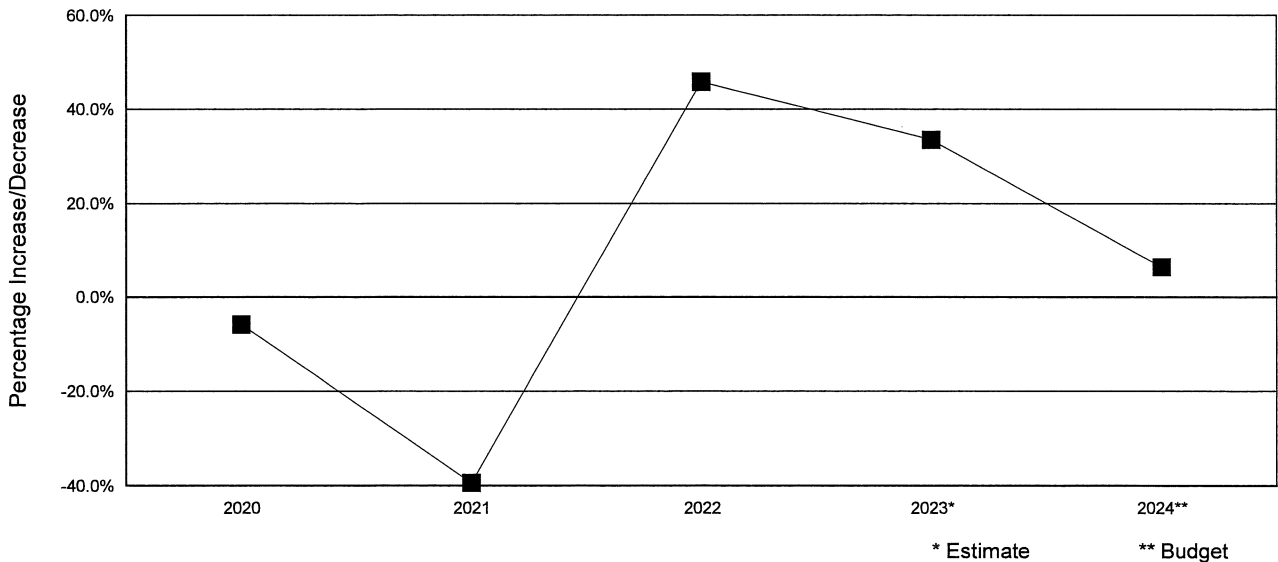
FISCAL YEAR 2024 BUDGET

Business Area Budget Summary

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

		FY2022 Actual	FY2023 Current Budget	FY2023 Estimate	FY2024 Budget
Expenditures	Personnel Services	95,776,824	127,636,692	127,668,242	134,216,011
	Supplies	7,089,384	8,624,043	7,376,363	8,756,847
	Other Services and Charges	166,622,159	201,593,993	186,834,755	208,708,522
	Non-Capital Equipment	1,740,999	3,001,414	2,157,412	2,849,592
	Total M & O Expenditures	271,229,366	340,856,142	324,036,772	354,530,972
	Debt Service & Other Uses	145,212,365	215,063,818	231,883,188	236,910,506
	Total Expenditure	416,441,731	555,919,960	555,919,960	591,441,478
Revenues		490,027,685	555,919,960	555,919,960	591,441,478
Staffing	Full-Time Equivalents - Civilian	1,115.1	1,245.2	1,228.4	1,272.0
	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	1,115.1	1,245.2	1,228.4	1,272.0
	Full-Time Equivalents - Overtime	57.8	67.5	67.5	26.7
Significant Budget Changes and Highlights	<ul style="list-style-type: none"> o The FY2024 Budget provides funding for health benefits, pension contribution, and municipal employees contractual pay increases. o The FY2024 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 FY2024 Budget includes funding for the debt service of \$110 million. The debt service expense is also anticipated to be funded from Passenger Facility Charges (PFCs) and American Rescue Plan Act funds. o Funding for Parking Service and Automated People Movers contracts will be funded from Airport Improvement Fund (8011). o HAS expects passenger levels to return to near-normal as passenger levels return to 29.6 million enplanements, which is 0.3 million less than the actual enplanement level in FY2019. 				

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



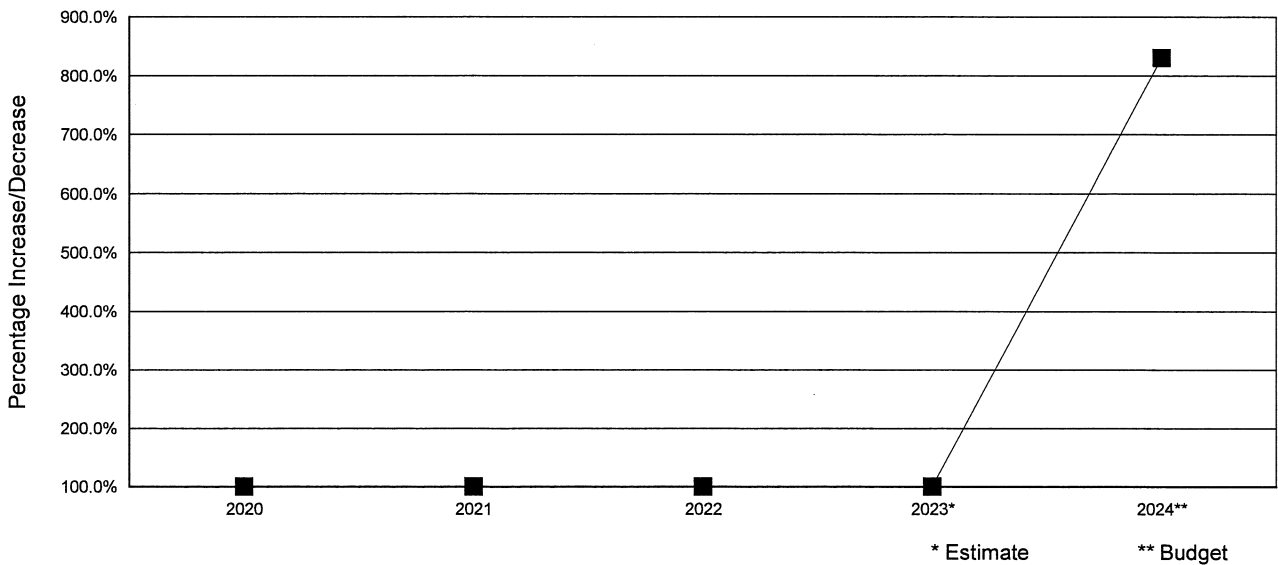
FISCAL YEAR 2024 BUDGET

Business Area Budget Summary

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

		FY2022 Actual	FY2023 Current Budget	FY2023 Estimate	FY2024 Budget
Expenditures	Equipment	0	26,136,433	3,757,801	34,984,900
	Total M & O Expenditures	0	26,136,433	3,757,801	34,984,900
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	0	26,136,433	3,757,801	34,984,900
Revenues		0	26,136,433	3,757,801	34,984,900
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	<ul style="list-style-type: none"> o The FY2024 Budget for Fund 8012 includes \$19.8 million in carryover of which \$14.3 million is for Houston Airport System vehicles and machinery, \$4.3 million for vehicles to support aircraft rescue and firefighting, and \$1.2 million for Houston Police Department vehicles. o New rolling stock requests include \$11.8 million for Houston Airport System vehicles and machinery, \$0.6 million for vehicles to support aircraft rescue and firefighting, and \$0.3 million for Houston Police Department vehicles. o Includes funding of \$1.3 million for end-of-life items for technology which includes switches, routers, and servers, \$0.6 million for capital custodial equipment, and \$0.5 million for other capital equipment or furniture. 				

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



FISCAL YEAR 2024 BUDGET

Business Area Revenues Summary

Business Area : Houston Airport System

Business Area No. : 2800

Category	FY2022 Actual	FY2023 Current Budget	FY2023 Estimate	FY2024 Budget
Charges for Services	478,414,563	539,111,140	538,218,595	577,706,508
Direct Interfund Services	556,586	0	100,000	0
Interest	7,632,681	15,000,000	15,035,100	12,000,000
Licenses and Permits	1,476,818	900,000	900,000	900,000
Miscellaneous/Other	1,019,253	829,320	1,586,735	834,970
Other Fines and Forfeits	216	0	24	0
Other Resources	927,568	26,215,933	3,837,307	34,984,900
Grand Total	<u>490,027,685</u>	<u>582,056,393</u>	<u>559,677,761</u>	<u>626,426,378</u>