

Fiscal Year 2005 Annual Budget and Appropriations Ordinance



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Mission Statement

To exceed the needs of customer and the regional community by providing facilities for passenger, cargo, corporate, general and military aviation. The Authority will provide safe, convenient, efficient, and economically self-sustaining aviation related infrastructure to promote economic development of the region.

Vision

To provide a world-class airport and transportation infrastructure which is the most efficient, economically self-sustaining, safe, convenient and cost competitive transportation facility in the region.

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April 23, 2004

The Honorable Chairman and Board of Commissioners
Greater Rockford Airport Authority
60 Airport Drive
Rockford, IL 61109

Dear Mr. Chairman and Commissioners:

Respectfully presented is the annual budget of the Greater Rockford Airport Authority (Authority) as approved by the Board of Commissioners April 22, 2004. Following the Authority's adopted mission statement, the fiscal year 2005 budget was developed under the premise that the mission of the Authority is to exceed the needs of the customer and the regional community by providing facilities for passenger, cargo, corporate, general and military aviation. The Authority will provide a safe, convenient, efficient and economically self-sustaining aviation related infrastructure to promote the economic development of the region. We believe the fiscal year 2005 budget guides the Authority toward meeting this goal.

Overview

The Authority is one of the oldest airport authorities in the United States. Formed in 1946, subsequent to enabling legislation, the Authority has four entities who appoint a seven-member Board of Commissioners.

The Board of Commissioners is responsible for setting policies and ordinances governing the operations of the Authority, which are carried out or enforced by a professional staff. The Greater Rockford Airport (RFD) has progressively evolved from a general aviation facility to a dynamic commercial service airport. RFD is presently ranked as the twenty-fourth largest cargo airport in the nation when measured by landed weight. Over the past few years more than \$170 million has been invested in infrastructure improvements and facilities at RFD. These airport improvement programs are aimed to provide a safe, efficient and hassle-free experience for the flying public.

RFD is home to the second largest air hub sorting facility in United Parcel Service's system, as well as home to DHL and BAX Global facilities. RFD has unrestricted airspace and a level seven Air Traffic Control Tower. RFD is a world-class airport capable of landing aircraft in Category III conditions. RFD is a United States Customs Port of Entry, home to thirty industrial tenants and the Authority is grantee for Foreign Trade Zone (FTZ) # 176. The diverse activities at RFD cause it to have a greater economic impact on the region it serves than any other commercial service airport in the State of Illinois, excluding the City of Chicago's airport system.

RFD is located in the southwest quadrant of Rockford, Illinois with easy access from five major highways. It is located approximately 85 miles northwest of Chicago, Illinois; 90 miles southwest of Milwaukee, Wisconsin; 60 miles southwest of Madison, Wisconsin; 90 miles east of Dubuque, Iowa; and 90 miles northwest of Moline, Illinois. The airport covers an area of about 3,000 acres with 800 of those acres airfield related. The air market service area ranges from 2,500,000 people at 60 minutes to 8,400,000 people at 90 minutes. The airport is geographically centered within the region.

History

In 1917, during World War I, RFD, then named "Camp Grant," was a U.S. Army Calvary Camp. During World War II the Army transformed Camp Grant into a military training base and a prisoner of war detainment camp.

In 1946 the State of Illinois adopted the Airport Authorities Act; thus, the Greater Rockford Airport Authority was created. The original Board of Commissioners requested and received a grant of 1,500 acres of federal land. The airfield was constructed using most of the military base infrastructure. Over the last 50 years, RFD has hosted numerous airlines including Braniff, Ozark, Frontier, TWA, American, Northwest and now Transmeridian Airlines. In 1985 a new terminal building was constructed. In 1994 United Parcel Service constructed an air cargo distribution hub. The hub employs approximately 1,200 with 25 daily-scheduled cargo jet arrivals/departures ranging in size from 727-100's to 747's.

Within the last several years, millions of federal dollars have been invested in airport infrastructure improvements. There are two runways: one is 8,200 feet in length; the longest is 10,000 feet in length. This runway has a Category II/III Landing System that is a valuable landing aid for commercial and private pilots. In 1995 the Authority completed construction of 34 T-hangars to promote general aviation activity. Today, those T-hangars remain fully occupied.

In July 1989 RFD became a User Fee Airport whereby the Authority had to pay for having the convenience of U.S. Custom Services. Ultimately, it was the intention of the Chamber of Commerce and the Authority to become a foreign trade zone and eventually a Port of Entry. On March 1, 1991 the Foreign Trade Zones Board in Washington, D.C. approved the boundaries of RFD as Foreign Trade Zone #176. Port status was granted effective September 13, 1995, which meant that the cost of Customs operations at RFD would be borne by the federal government. RFD was the first User Fee Airport to be upgraded to Port of Entry status. Since then, five sub-zones have been added and the general-purpose zone has expanded to include three additional zone sites. U.S. Customs maintains an office staffed full-time at RFD and U.S. Customs inspection services are available 24 hours per day.

The completion of Union Pacific Railroad's Global III Intermodal Hub in Rochelle, Illinois in 2003 presents a significant economic opportunity for the region and RFD. Currently, U.S. Customs inspectors based at RFD facilitate inspection services and clearances of foreign commodities at the Intermodal facility.

The foreign trade zone will become increasingly important as companies gravitate toward the Intermodal and the I-39 Development Corridor. The Greater Rockford Airport Authority plays a crucial role with the air cargo capability, currently available at RFD, provides the supply-chain velocity needed for next day express delivery and international airfreight. The availability of FTZ #176 is essential for the creation of jobs and for the region to effectively compete in the global market.

From an environmental standpoint the Authority has always been proactive. A state-of-the-art Glycol Retention/Treatment Facility was completed in 1994 and is successfully being operated. Glycol is the key liquid component used in deicing aircraft during the winter months.

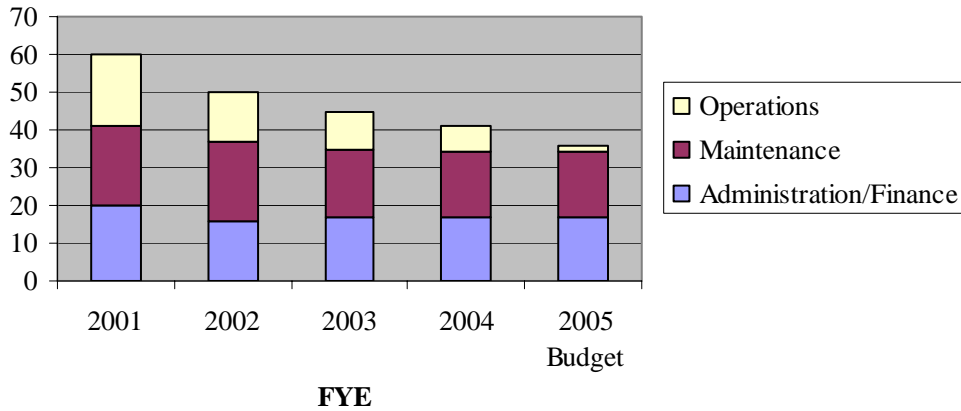
In 1996 a two million-gallon fuel storage facility funded by United Parcel Service, along with a perimeter roadway system, was constructed. This capital investment increases airfield safety by eliminating the need for fuel delivery trucks to transverse the airfield.

Organization

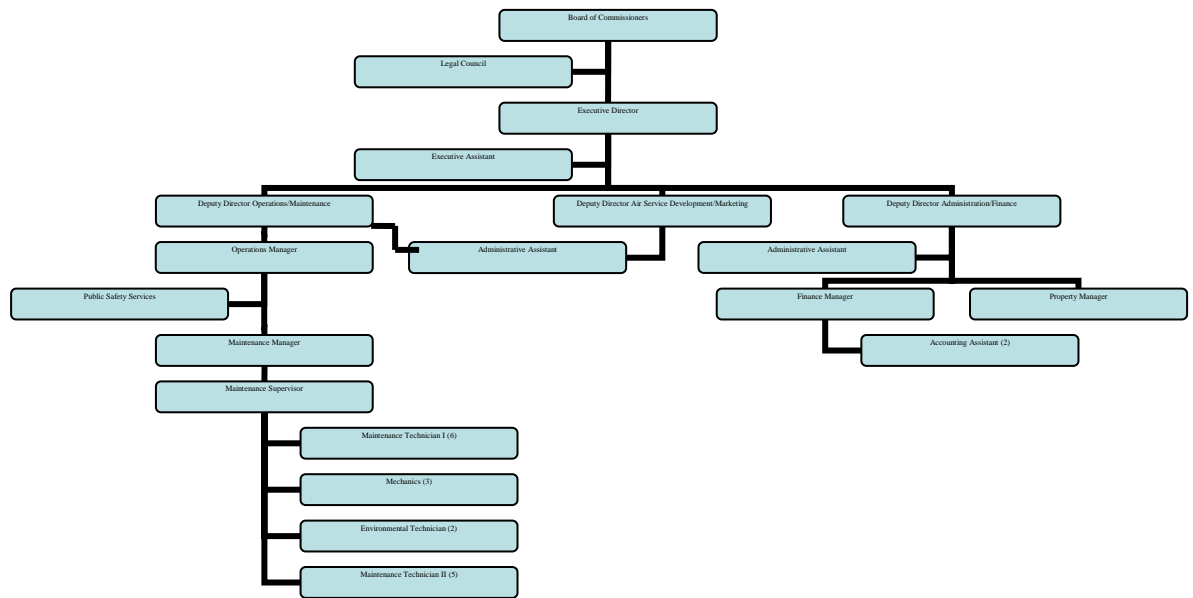
The Authority continues its aggressive stance to further grow in all areas of airport development (management, air service development, operations, and maintenance). A seven member Board of Commissioners governs the Authority. The Mayor of the City of Rockford appoints three members, the Winnebago County Board Chairman appoints two members and the Mayor of the City of Loves Park and the President of

the Village of Machesney Park appoint one member each. Commissioners are appointed for a term of five years and can be reappointed.

Personnel Positions History and Budget



The Authority's Organizational Chart is shown below:



The Executive Director of the Authority reports to the Board of Commissioners. In BFYE05, airport staff is comprised of 36 employees (including seven Commissioners) as follows:

	FYE01	FYE02	FYE03	FYE04	FYE05
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
Administration/Finance					
Airport Commissioners	7	7	7	7	7
Executive Director	1	1	1	1	1
Deputy Directors	1	1	2	2	2
Managers	2	2	2	2	2
Administrative Assistants	3	3	3	3	3
Accounting Assistants	2	2	2	2	2
Parking Lot Assistants	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Department Total	20	16	17	17	17
Maintenance					
Manager	1	1	1	1	1
Supervisor	1	1	1	1	1
Maintenance Technician I	6	6	6	6	6
Maintenance Technician II	6	6	5	4	4
Maintenance Technician III	2	2	0	0	1
Vehicle Mechanics	3	3	3	3	3
Environmental Technicians	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Department Total	21	21	18	17	18
Operations					
Deputy Directors	1	1	1	1	1
Operations/ARFF Manager	1	1	0	1	1
Operations/ARFF Supervisors	0	2	2	1	0
Lieutenants	3	0	0	0	0
Operations/ARFF Specialists	0	9	7	5	0
Sergeants	1	0	0	0	0
Corporals	2	0	0	0	0
Officers	7	0	0	0	0
Telecommunicators	4	0	0	0	0
Security Screeners	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Department Total	<u>19</u>	<u>13</u>	<u>10</u>	<u>8</u>	<u>2</u>
Total Organization	<u>60</u>	<u>50</u>	<u>45</u>	<u>42</u>	<u>37</u>

As noted in the table and chart above the Authority has been in the process of rightsizing the organization. This has been done by evaluating the Authority at all levels and trying to find the best organizational fit. As a result the Authority has entered into an agreement with the City of Rockford Fire Department to take over all

Strategic Plan

airport rescue and fire fighting (ARFF) duties. This was done to allow the Authority to focus on airport and related services.

The Authority developed a new strategic plan in the Spring of 2003. It was determined that with the congestion at Chicago O'Hare International Airport, the underutilized facilities at RFD would become a key player in the region servicing both the passenger and air cargo needs in the future. The economic development role for RFD could evolve as the primary economic engine for the four-county Stateline region and beyond.

The strategic planning resulted in the identification of two goals to be pursued over the next one to five years. These goals are as follows:

1. Educate the region regarding the economic development benefits and potential of RFD.
2. Foster active community support within the region for selected functional initiatives at RFD.

Each goal was a common thread during the strategic planning process. It has been recognized that in order to build community awareness of the economic development benefits and potential of RFD, the Authority will need to continue with its outreach activities as well as be able to prove the potential economic benefits of the airport throughout the region.

The strategic issues identified included the following:

1. Attract and retain passenger, charter, corporate and general aviation service.
2. Better communicate with stakeholders, including employees, in order to gain broad based support.
3. Self-sufficiency through elimination of debt.
4. Exploration of other business opportunities.

The strategic plan has been implemented by the Board and staff. This has resulted in new passenger air service in August 2003 and the community involvement to make it happen was remarkable. The community was involved in the campaign for passenger service and has been educated to the benefits of RFD. This is only the first step to meeting the goals of the strategic plan.

Fiscal Policy

The Authority's long-range goal is self-sufficiency and debt elimination and the means to these goals are sound fundamental financial policies. The financial policies that lay the groundwork for the budget are as follows:

Balanced Budget. Imperative to financial integrity is a balanced budget whereby financial resources equal or exceed uses. Strategies to attain this balance include cost efficiencies, personnel efficiencies, increasing or implementing fees to match program expenses, fund balance usage (if available), and (although reluctantly) service reduction. The FYE05 Budget is balanced utilizing all of the above strategies.

Tax Rate. This budget was prepared based on the policy of the Authority to maintain its current tax rate, which is approximately 33¢ per \$100 of assessed property valuation.

Rates & Charges. The Authority annually approves a Rates & Charges Policy by resolution. The charges incorporated therein are determined by examining costs associated with the revenue stream. Rates & Charges are reviewed and amended annually and are exhibited in this document. In order to be competitive the Authority has investigated the redesign of the landing fees and fuel flowage fees. With the new rates and charges policy only landing fees will be charged for passenger and cargo landings but at an increased cost. However, the fuel flowage fee will be eliminated for this group. Fuel flowage fees will remain for all other types of services. During this first year of transition, based on current landings, the change will be revenue neutral.

Investments. Authority investments comply with procedures established in the Authority's Investment Policy, adopted by resolution on November 12, 1998.

Financial Policy. This fiscal year, staff will continue to review financial policies, including debt management, procurement procedures, and budget and lease management.

Replacement Program. The Authority understands the need to replace capital items. In order to minimize the impact of future capital expenses staff has planned for capital replacements with the use of sinking funds with annual deposits in the trust funds to fund future capital expenditures.

Budget Document

The budget has been prepared in accordance with the standards set forth by the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award Program to fully disclose the financial operations of the Authority. Upon successful review and approval, this budget will be submitted to the GFOA for their consideration of this prestigious award.

The Authority used zero based budgeting techniques, which required staff to provide justification and support for all expenditures. This allowed for evaluation to support and contribute to the goals of the organization. This results in a more meaningful document that has the support of staff for implementation and utilization. This was the first time staff was given guidelines and requested to prepare departmental budgets and make capital recommendations on their own. Staff did a remarkable job evaluating the needs of their departments and preparing a meaningful, justifiable budget.

This budget is divided into six components: transmittal letter, revenue budget, operating expenses budget, non-operating budget, capital budget, and exhibit section. The operating expense budget is further broken down into departmental budgets.

Budget Process

Budget Adoption. The Authority’s budget is adopted by ordinance to comply with the provisions of State of Illinois Statute 50 ILCS 330/3, which requires a governing body to approve a budget within or before the first quarter of the fiscal year. In accordance with that same statute, the budget serves as the annual appropriations ordinance. The budget is prepared on a cash basis, whereby all revenues and expenses are recognized in the period in which cash is received and/or paid.

Budget Calendar. State law requires a tentative budget and appropriation ordinance be made conveniently available for public inspection at least thirty (30) days prior to final action thereon. Further, at least one (1) public hearing must be held prior to budget adoption and notice of this public hearing must be published in a newspaper at least thirty (30) days prior to the time of such hearing. The tentative schedule for this process is as follows:

10 March 2004	Approve Tentative Budget and Appropriation Ordinance.
18 March 2004	Public Hearing Notice published in newspaper.
22 April 2004	Public Hearing.
22 April 2004	Approve Adoption of Budget and Appropriation Ordinance.

With staff recommendation the budget is finalized and presented to the Board of Commissioners for review. In anticipation of the fiscal year beginning May 1, the public hearing is held and the budget is approved in April.

Budget Amendment. The Budget is amended only upon the occurrence of an extraordinary event, as deemed by the Executive Director, with concurrence by a majority of the Board of Commissioners and then only if funds are available.

Budget Basis

In accordance with the Governmental Accounting Standards Board's 1987 *Codification of Governmental Accounting and Financial Report Standards*, the Authority's operations are accounted for in a single enterprise fund. This single fund uses the accrual basis of accounting in measuring the financial position and operating results of the Authority. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

For budgetary purposes, this budget was prepared on the same basis as above, however, it varies from generally accepted accounting principles in that capital expenditures, including capital outlays and improvements, debt service and grant service, are entirely recognized in the year purchased or paid. Therefore, depreciation is not budgeted.

Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Greater Rockford Airport Authority for its annual budget for the fiscal year beginning May 1, 2003. This was the fifth in as many years that the Authority has been awarded this prestigious award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year. It is believed the current budget continues to conform to program requirements; therefore, it will be submitted to GFOA to determine its eligibility for award. Following is a copy of the award.



**Budget
Summary**

The budget presented has many highlights discussed in subsequent sections. The Authority feels there are many positive changes to the plan including additional destination flights with the current carrier. During FYE04 staff with the help of the community was able to contract for passenger airline service, which the airport has not had since June of 2001. The operation is with Transmeridian Airlines for service to Orlando, FL 4 times a week and Las Vegas three times a week. FYE05 budget also include costs for additional destinations with this carrier. Other plans include the outsourcing of the ARFF function. This allows the Authority to focus on the vision and mission of the organization. Following is a summary of the proposed budget.

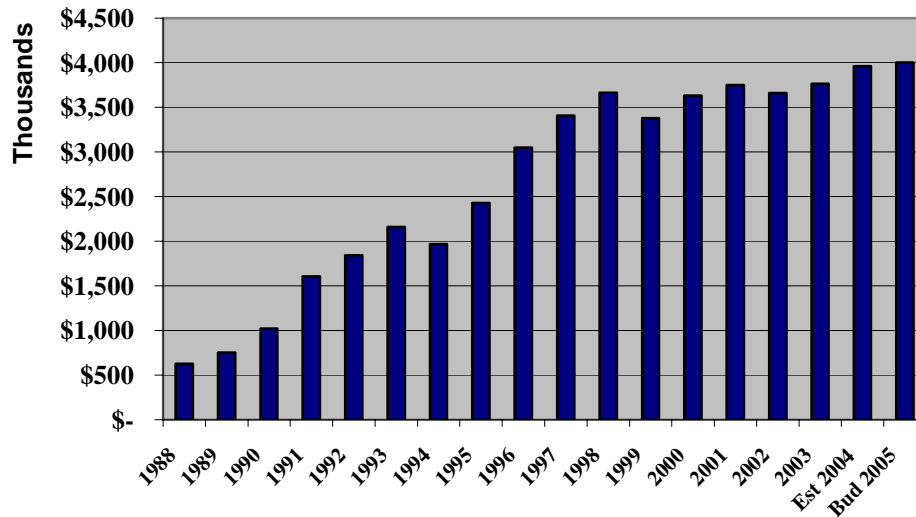
	BFYE04	Est. FYE04	BFYE2005
Operating Revenue			
Airport fees-airside	\$ 2,161,171	\$ 2,227,065	\$ 2,220,000
Airport fees-landside	120,500	126,036	120,000
Lease revenue-on airport	868,427	848,121	901,295
Lease revenue-off airport	371,447	401,972	415,189
Other	325,565	357,719	346,246
Total Operating Revenue	3,847,110	3,960,913	4,002,730
Operating Expense			
Personnel services	(2,694,610)	(2,460,591)	(2,431,402)
Contractual services	(1,502,469)	(1,598,541)	(2,037,171)
Commodities	(738,526)	(627,507)	(647,830)
Other	(375,000)	(287,165)	(310,600)
Total Operating Expense	(5,310,605)	(4,973,804)	(5,427,003)
Net Operating Expense	(1,463,496)	(1,012,891)	(1,424,273)
Non-operating Revenue (Expense)			
Annexation agreement	130,000	127,975	125,000
Interest income	100,000	91,616	100,000
Property tax levy-operating	2,442,333	2,422,081	2,819,731
Property tax levy-debt service	6,009,452	5,949,019	6,300,163
Replacement tax	330,000	308,055	300,000
Interest expense	(1,305,211)	(1,123,443)	(862,116)
Property taxes	(56,000)	(51,383)	(73,472)
Total Non-operating Revenue (Expense)	7,650,574	7,723,920	8,709,306
Capital Contributions			
Passenger facility charges	4,000	89,382	206,400
AIP Reimbursement Funds	-	-	500,000
Funds from auctioned equipment	5,000	5,000	5,000
Total Capital Contributions	9,000	94,382	711,400
Debt Service and Sinking Fund Deposits			
Debt service principal payments	(6,889,000)	(6,889,000)	(5,561,000)
Bond issue	1,718,000	1,718,000	-
Sinking fund deposits	(300,000)	(300,000)	(300,000)
Total Debt Service and Sinking Fund Deposits	(5,471,000)	(5,471,000)	(5,861,000)
Capital Expenditures			
Capital improvements	(60,000)	(60,000)	(146,000)
Capital outlay	(50,000)	(53,918)	(97,650)
Glycol improvements	-	-	(63,000)
Grant service	(906,500)	(722,800)	(531,000)
Total Capital Expenditures	(1,016,500)	(836,718)	(837,650)
Excess Funds Available	\$ (291,422)	\$ 497,693	\$ 1,297,783

Revenue

Two types of revenues are budgeted, operating and non-operating. Operating revenue is revenue derived from the day-to-day operations of the airport. Operating revenue includes fuel flowage fees, landing fees, hangar leases, land leases, and building leases. Non-operating revenue is revenue that is a consequence of operating the airport; e.g., interest revenue. Both the operating tax levy and debt service tax levy are considered non-operating revenue to show the Authority's intent to some day operate as a self-supporting entity.

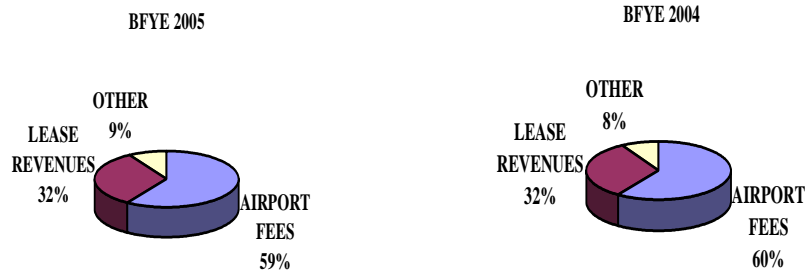
Shown below are the historical annual operating revenues since FYE88. There was a positive trend through FYE98, mostly attributable to United Parcel Services presence in FYE94. Since FYE98 operating revenues have remained steady and this trend is not expected to change in BFYE05. However, beyond BFYE05 there will be an increase due to increased landings from additional passenger service.

Operating Revenue History



Progress continues for fixed revenues to comprise a greater proportion of operating revenue. As shown on the next page, Airport fees (which are variable) for budgeted Fiscal Year End April 30, 2005 (BFYE05), currently comprises 59% of operating revenue. Staff is concentrating on efforts to increase the amount of fixed revenue over variable revenue because a high percentage of variable revenue could be financially catastrophic in an airport economic downturn. Lease revenue and Other revenue (fixed revenue) will serve as a hedge in possible future economic downturns. As shown, staff has made some headway in this regard as Other revenues have increased and Airport Fees have decreased 1 percent, from the previous year. Overall

there is a planned increase of 4% in total operating revenue from the prior year's budget and this is the result of an increase in both Airport Fees and Lease Revenue.



Non-operating revenue is expected to increase from the previous year. This is the result of an increase in the property tax levies. Non-operating revenues consist predominantly of property tax levy but also include interest revenue collected on Authority deposits. Property taxes are levied for two purposes: to cover certain operating expenses and pay for General Obligation (GO) bond debt. The total of these two levies has been \$.33 per \$100 of assessed valuation. The increase in the operating levy is the result of an increase in those expenses covered under the levy including Illinois Municipal Retirement Fund (IMRF), Workers Compensation Insurance and Liability Insurance as well as an overall increase in the assessed valuation of the property taxed. The increase in the debt service levy is due to the bond issue last year.

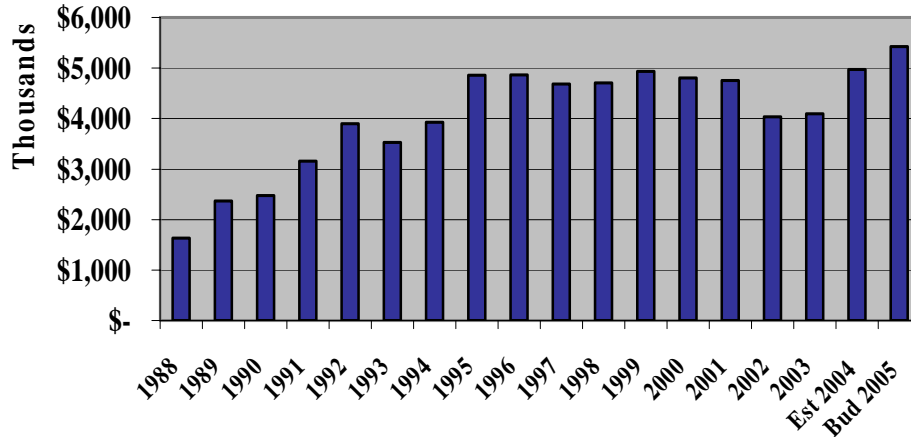
Expenditures

Expenditures are also categorized between operating and non-operating. Operating expenditures are those expenditures that are incurred as a result of the direct operation of the airport and are further broken down by operating departments; Finance/Administration, Maintenance, Operations and Air Service Development. Non-operating expenditures are expenditures for debt service interest and property taxes.

Shown on the next page are the historical annual operating expenses since FYE88. There was an increase through FYE95 with expenses remaining fairly stable through FYE01 and a decrease two years thereafter. This was the result of some restructuring in the public safety department, which is now Operations. This included both attrition and the law enforcement function being taken over by the City of Rockford. The trend upward for FYE04 and the budgeted FYE05 are the result of the addition of an Air Service Development Department and the related marketing costs. The

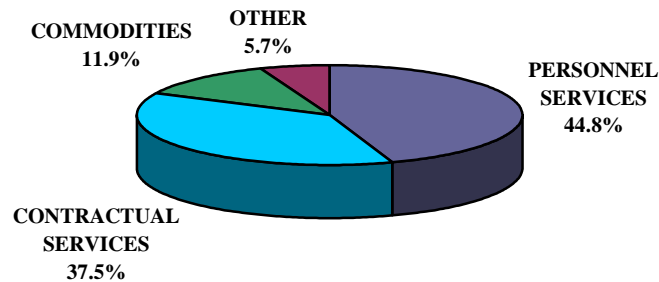
additional jump in FYE05 is also due to a plan for marketing for additional flight destinations and contracted ARFF services.

Operating Expenses History



Operating expenses are categorized into four areas, personnel service, contractual service, commodities, and other. A classification change was made for Workers Compensation insurance by moving it from contractual services to personnel services to allow the Authority to know and track the true personnel costs of the organization. Below is a chart showing the breakdown of costs by category.

OPERATING EXPENSES BY CATEGORY



Personnel Services remains the largest expense for the Authority, however it is down from 50% to 44.8% from the prior year. Total personnel costs have also decreased

by 9.5% from last year. This is due to the outsourcing of the ARFF services, eliminating six positions. However, many of the personnel related costs have increased from the prior year. Health insurance rates increased 23% from the prior year due mainly to the market conditions. The IMRF rate increased from 8.33% to 12.60%; this was the result of market performance. IMRF uses a five year averaging method for employer contribution percentages so the market performance for the last few years has had only a 20% effect each year on the rate. As the higher performing years are no longer factored in, the rate will increase. Salaries have decreased even though merit increases and a cost of living adjustment of 3% have been factored in. And as noted above workers compensation insurance is now included as part of personnel services and the cost has remained fairly constant from the prior year due to a decrease in covered employees.

Contractual services has increased from 28% to 37.5% of the total costs. There have been many dramatic changes in contractual services. Consulting costs, mainly for design and research for marketing, accounted for \$25,200, or a 73.7% increase. The Air Service Development function is to add more passenger and cargo operations. The Authority has taken a very aggressive approach and is out seeking support from the community to attract additional passenger airlines to RFD.

ARFF contractual services of \$650,000 and related training of \$16,100 of city fire department personnel are new additions to the budget. The Authority is planning to eliminate all ARFF positions and contract with the City of Rockford Fire Department for these services. This was done to eliminate duplication of services as there is a fire department located on airport grounds and it allows for the Authority to concentrate on the business of airport operations. The training costs are for the city fire personnel to be trained in FAR 139 requirements. Most other contractual services costs have either remained constant or decreased from staff's evaluation through the budgeting process.

Commodities are now only 11.9% of total expenses while they were 14% last year. Commodities are all of the materials and supplies needed for operation of the airport. Commodities has decreased from the prior year through realignment of priorities and streamlining efficiencies. The proposed budget also takes into consideration plans for additional flights in the new year.

The Other category is for those costs not included in the other sections. Expenses included are costs related to the glycol retention treatment facility, landfill environmental costs and a contingency account. The intent of the contingency

account is to provide additional support for expenditures if the said expenditure is over budget. For example if we were to have an extreme number of snowfalls or more ice events than planned. Materials for snowfalls and ice events are our greatest commodity cost. Other related costs would be the overtime necessary for the cleanup.

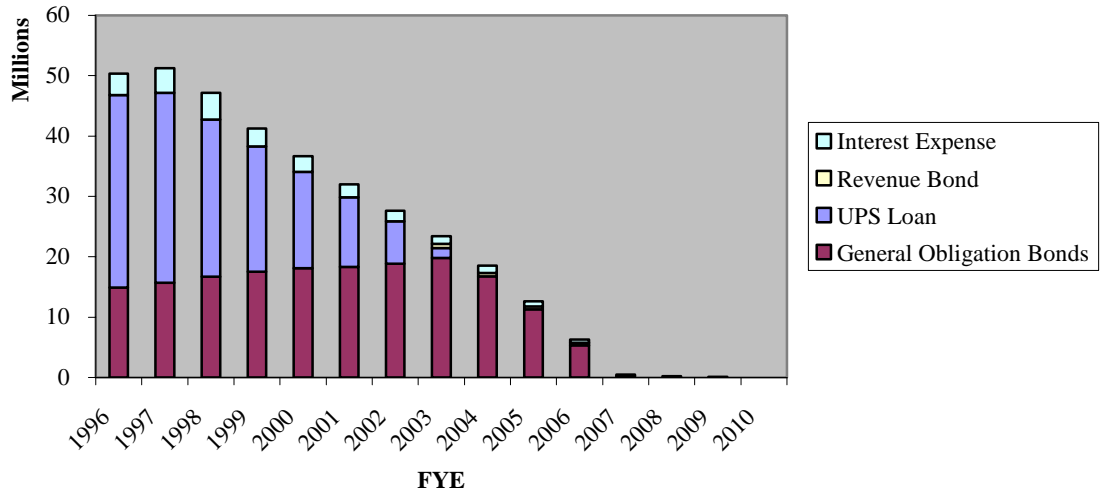
Non-operating expenditures consist predominantly of interest expense for General Obligation (GO) Bonds and a Revenue Bond. The remaining 8% is for property taxes paid to the County based upon airport tenant lease agreements. Total non-operating expenditures are budgeted to decrease 34% from the previous year as the Authority has reduced total outstanding debt with the line of credit being paid off in the prior year. Further discussions are included in the debt section.

Capital contributions are inflows of cash that do not have an impact on the income statement but are included as a source in the budgeting process to help cover the costs of capital expenditures. Passenger facility charges (PFCs) are included as a capital contribution and are eligible to be used for capital. There is a budgeted increase in PFCs of \$201,400 from last year's budget. This is the result of additional passenger airline service with Transmeridian Airline, which began last August. The Authority will also be requesting \$500,000 from the State of Illinois Airport Improvement Program Fund. This is a reimbursement of capital expenses from previous years.

Debt Service

The Authority's total debt, \$17,321,000 is comprised of two types of debt: General Obligation Bonds (\$16,745,000) and a Revenue Bond (\$576,000). This represents a debt reduction of 22% from the previous year. In BFYE05 the Authority has budgeted \$5,561,000 for debt service; \$5,465,000 for GO Bonds and a Revenue Bond of \$96,000. The Authority has done a remarkable job of reducing debt with all current debt outstanding being paid off by FYE09 as shown in the following table. In October 2003 Moodys upgraded the Authority bond rating to A1 from A2. The rating upgrade reflects the Authority eliminating bank loan debt, a moderate amount of rapidly retired bonded debt, resumption of a small amount of passenger service and the Authority's stable and consistently well-managed financial operations. As a result of the improved rating the Authority was able to issue bonds with a lower interest rate thereby reducing the amount of future interest expense the Authority will incur and creates a more marketable bond to outside investors.

Debt Schedule



The Authority’s statutory debt limit with a referendum is 2.3% of the total equalized assessed valuation of all taxable property located within the boundaries of the Authority. This amount is \$63,350,915 based on the 2002 equalized assessed valuation. The Authority’s statutory non-referendum bonded debt limit is .75% of the total equalized assessed valuation and is \$20,657,907. The Revenue Bond balance of \$576,000 is not counted against either limit.

Capital Expenditures

Capital expenditures consist of all expenditures in excess of \$2,000 unless an item is consumed within one year of the date purchased. Capital expenditures constitute the large portion of Authority expenditures. There is \$837,650 worth of capital expenditures planned. Approximately 17% or \$146,000 is planned for terminal improvements and enhancements. These include rehabilitating the bathrooms, upgrading automatic doors, and some small enhancements to the lounge area.

Grant service accounts for another 63% or \$531,000 of the capital costs. Grant service projects are partially funded by the Authority, the State and the Federal government through Airport Improvement Project (AIP) Funds. The costs reflected in the budget are the Authority’s share. Grant projects planned include terminal parking expansion for \$250,000. The parking lot is 90% full with the current services and when another passenger service is added the lot will be insufficient. A security system upgrade is planned for the terminal; however, this will be funded primarily with AIP funds along with the Authority’s portion of \$30,000. Also included is the remaining cost to complete the new maintenance facility and funds for updates to the airport layout plan.

Capital outlay is equipment necessary for the operation of the airport. This includes vehicles, equipment, and computer hardware. Glycol Improvements are capital expenditures for the glycol treatment facility. The costs for these improvements will be paid out of the glycol treatment facility trust fund.

Reserve Funds

The Authority's intent is to become a self-supporting entity and, therefore, is accounted for as a proprietary fund. In a proprietary fund, the Authority accounts for its financial transactions similar to that of a private business enterprise. As a result the Authority has set up multiple bank accounts and investments for the four different types of sources and uses, operating, debt service, capital and trust funds for future expenditures. All expenses are paid with the appropriate resources. Since some capital expenditures have no funding source, other than those funded by FAA sources, it is necessary to transfer excess net operating proceeds from the Operating Account to these other accounts. This is generally done at year-end when the amount of excess funds is known. All excess funds earned in the current year will fund the Capital Fund for the next year.

Operating account. The operating account is unrestricted and predominantly all operating monies (operating revenue and operating tax levy) are received and expended from this account (operating fund). One exception is the revenues received from the BAX Global Cargo Facility. A portion will be deposited into an escrow account to pay for the debt service on the revenue bond issued to purchase the facility. Included, but separately identified, is an Operating Fund Reserve of \$2.6 million. This amount is approximately 6 months of operating expenses.

Debt service account. The debt service account receives proceeds from the tax levy for debt service. The principal and interest payments for GO Bond maturities and the BAX Global Facility Revenue Bonds are then funded from this account.

Capital projects account. This fund pays for all capital improvements, capital outlays, projects and grant service in the capital budget. Funding for this account is derived from Passenger Facility Charges (PFCs) and excess operating monies from the previous year. The AIP funds reimbursement planned for BFYE05 of \$500,000 will also be included in this account. The Authority's target is to have an account balance of \$1million throughout the year.

Trust fund account. Trust funds were established to fund future expenditures for the following purposes:

- Landfill closure fund,
- Glycol retention/treatment facility fund,
- Equipment replacement fund, and
- Building re-roof fund.

The landfill closure fund has a balance of \$1,385,914 and is budgeted to receive an additional \$75,000 in BFYE05. This fund will be used for the closure costs incurred for closing Landfill #2, which is expected to begin in the summer of 2005.

The glycol retention/treatment facility fund is for future repairs and upgrades to this facility. This facility purifies the wastewater that is collected from de-iced aircraft. The glycol treatment fund has a balance of \$1,258,498 and is funded by the interest earned. The maximum balance for this fund caps out at \$1.5 million.

The equipment sinking/replacement fund is for airport equipment purchases of larger equipment such as snow removal vehicles or fire trucks in the future. Presently, the fund balance is \$767,709, which is budgeted to increase by \$175,000. This is funded by the receipts of auctioned equipment and investment earnings and a budgeted sinking fund transfer.

A Building re-roof fund to fund an extensive re-roof of the Coleman Hangar has a balance of \$111,089 and is budgeted to receive an additional \$50,000 in BFYE05. The Authority views this as an effective way to manage large capital purchases.

A summary of the beginning balances; sources, uses, and ending balances for the segregated accounts are following.

	Operating Account	Debt Service Account	Capital Proj. Account	Trust Account	Total
Balance, 1 May 2004	\$ 2,900,000	\$ 57,150	\$ 2,200,000	\$ 3,523,210	\$ 8,680,360
Sources					
Operating revenue	3,845,620	157,110			4,002,730
Non-operating revenue	525,000				525,000
Tax levy-operating	2,819,731				2,819,731
Tax levy-debt service		6,300,163			6,300,163
PFC			206,400		206,400
AIP Fund Reimbursement			500,000		500,000
Other				5,000	5,000
Total Sources	7,190,351	6,457,273	706,400	5,000	14,359,024
Uses					
Operating expenses	5,427,003				5,427,003
Non-operating expenses	73,472	862,116			935,588
Capital expenditures		5,561,000	774,650	63,000	6,398,650
Total Uses	5,500,475	6,423,116	774,650	63,000	12,761,241
Net Sources (Uses)	1,689,876	34,157	(68,250)	(58,000)	1,597,783
Balance FYE05 before transfers	4,589,876	91,307	2,131,750	3,465,210	10,278,143
Transfers	(1,689,876)	(35,000)	1,424,876	300,000	0
Balance, 1 May 2005	\$ 2,900,000	\$ 56,307	\$ 3,556,626	\$ 3,765,210	\$ 10,278,143

Operating account includes \$2,600,000 of operating reserves.

Acknowledgement

The entire organization is acknowledged for their efforts in completing our first of many zero-based budgets. The time and effort by all Deputy Directors, Managers and Support Staff is greatly appreciated. The end result of this process will be increased ownership for a dynamic and evolving document.

Sincerely,

Amy M. Ott, CPA
Deputy Director of Finance & Administration

Operating Revenue Summary

Revenue sources are broken down into five (5) distinct categories: Airport fees-airside, Airport fees-landside, Lease revenue-on airport, Lease revenue-off airport, and Other. This breakdown allows a comparison of variable revenues (airport fees) vs. fixed revenues (lease revenue) and airside/on airport revenues vs. landside/off airport revenues.

Airport fees – airside, \$2,220,000. This revenue is comprised of fuel flowage and landing fees. These fees are generated on the runways, taxiways and aprons. They are variable in nature, dependent upon an independent variable of aircraft landed weight or the number of gallons of fuel pumped. The more operations the Airport has, the more this source of revenue will increase. During the next year it is the Authority's intention to redesign the landing fee and fuel flowage fee policy and rates. The plan is to eliminate the fuel flowage fee for all passenger and cargo operations but to increase landing fees enough to offset the loss for elimination of the fuel flowage fee for this group. All other operations will not pay a landing fee but will still be responsible for a fuel flowage fee if necessary. The rate changes for next year based on average landings and fuel flowage history will have a revenue neutral result. Basically the airport fees – airside revenue will increase for next year due to increased operations not rates. Rate adjustments will follow in future years.

Airport fees – landside, \$120,000. Sources of revenue in this category include rental car commissions and parking fees. As in the previous category, these revenues are also variable in nature, dependent upon an independent variable. These revenues are generated from the gate outward towards the parking lot. At this time the Authority does not charge a parking fee so there is no revenue generated.

Lease revenue – on airport, \$901,295. Lease revenue is fixed over time and includes building, terminal, concessions/counters/office, and land. These sources of revenue are not dependent upon an independent variable (except for time) and are recurring from year to year, with the exception of rental increases. Because of their nature these revenues are easily and more accurately budgeted than variable revenues. The revenues in this category are all on the airport or within the perimeter fence. Where permitted, in accordance with lease terms, lease revenue was increased by approximately 2.5% to mirror the inflationary increase in operating expenses.

Lease revenue – off airport, \$415,189. Sources of revenue include building and land leases. These sources are also fixed and do not vary much over time. These sources are outside the perimeter fence and are largely considered industrial park.

Other – \$346,246. Sources include commercial operating agreement fees, fuel permit fees, quarry fees, snow removal fees, foreign trade zone fees, and storm water fees. These revenues are incidental to the operation of the airport comprising only 9% of the revenue budget.

Operating Revenue Budget

CODE/LINE ITEM	ACTUAL FYE01	ACTUAL FYE02	ACTUAL FYE03	BUDGET FYE04	ESTIMATE FY04	BUDGET FYE05
AIRPORT FEES-AIRSIDE						
4120 Fuel flowage fees	\$ 819,566	\$ 827,650	\$ 829,928	\$ 809,896	\$ 809,964	\$ 77,000
4140 Landing fees	1,394,021	1,404,969	1,326,471	1,351,275	1,417,101	2,143,000
TOTAL FEES-AIRSIDE	2,213,587	2,232,619	2,156,399	2,161,171	2,227,065	2,220,000
AIRPORT FEES-LANDSIDE						
4250 Parking	110,613	9,451	968	500	414	-
4270 Rent-a-car commissions	176,669	137,396	137,405	120,000	125,622	120,000
TOTAL FEES-LANDSIDE	287,282	146,848	138,372	120,500	126,036	120,000
LEASE REVENUE-ON AIRPORT						
4330 Building	216,321	255,335	350,979	477,282	437,990	492,323
4360 Land	234,487	236,452	254,993	277,621	276,300	281,979
4361 Tie-down	-	6,935	43,129	-	13,587	5,700
4380 Terminal concession/counter/offices	122,538	114,805	116,086	113,524	120,244	121,293
TOTAL LEASE-ON AIRPORT	573,346	613,527	765,187	868,427	848,121	901,295
LEASE REVENUE-OFF AIRPORT						
4430 Building	60,150	89,967	103,594	106,306	105,481	116,371
4460 Land	269,350	252,736	256,898	265,140	296,491	298,818
TOTAL LEASE-OFF AIRPORT	329,500	342,703	360,493	371,447	401,972	415,189
OTHER						
4910 Automobile fuel flowage	4,452	5,956	2,170	-	-	-
4920 Clean fill	24,352	18,180	28,234	10,000	37,200	20,000
4930 Commercial operating agreement	52,787	53,218	59,425	64,790	60,168	67,546
4940 Foreign trade zone fees	4,200	3,000	8,336	5,950	4,200	6,000
4950 Fuel permits	5,100	3,600	4,125	3,825	4,575	4,200
4955 Late fees	675	726	4,715	1,000	6,657	1,000
4960 Quarry fees	75,015	75,000	75,000	75,000	87,500	90,000
4970 Snow removal fees	11,980	3,360	2,310	5,000	2,200	2,500
4980 Stormwater fees	150,000	150,000	150,000	150,000	150,000	150,000
4990 Miscellaneous	17,744	10,391	8,353	10,000	5,219	5,000
TOTAL OTHER	346,305	323,430	342,667	325,565	357,719	346,246
TOTAL OPERATING REVENUE	\$ 3,750,020	\$ 3,659,127	\$ 3,763,117	\$ 3,847,110	\$ 3,960,913	\$ 4,002,730

Operating Revenue Budget Justification

4120	Fuel flowage fees	<u><u>\$ 77,000</u></u>
4140	Landing fees	<u><u>\$ 2,143,000</u></u>
4270	Rent-a-car commissions Budgeted automobile rental commissions are calculated on average monthly rental commissions of \$10,000 per month.	<u><u>\$ 120,000</u></u>
4330	Building lease-on airport Buildings and hangars within the airport perimeter fence line are considered airside building leases.	
	T-hangars, 18 @ \$192/mo.	41,472
	T-hangars, 3 @ \$220/mo.	7,920
	T-hangars, 3 @ \$258/mo.	9,288
	T-hangars, 6 @ \$279/mo.	20,088
	T-hangars, 2 @ \$325/mo.	7,800
	T-hangars, 2 @ \$371/mo.	8,904
	Plot #A-9, Alpine Aviation	8,218
	Plot #A-10, Mechanical Tool & Eng.	14,250
	Plot #A-12, Emery Air Charter (former Coleman hangar)	84,131
	Plot #A-15,	35,000
	Plot #A-20, Pride Aviation (former Crabtree hangar)	17,633
	Plot #A-21, 6020 Cessna Drive (available)	-
	Building 30	-
	Plot #A-31, Airborne	91,459
	Plot #A-33, BAX Global	146,160
	Total building lease-on airport	<u><u>\$ 492,323</u></u>
4360	Land lease-on airport A lease is considered a land lease if the land is leased and the lessee has added an improvement (building).	
	Plot #A-1, Continental/Aircraft Systems Incorporated	6,372
	Plot #A-2, Skandia	11,067
	Plot #A-3, Courtesy Aircraft, Incorporated	12,534
	Plot #A-3A, Courtesy Aircraft, Incorporated	4,895
	Plot #A-4, Avionics Place	11,898
	Plot #A-5, Rock Valley College	10,780
	Plot #A-6, Owners Association	11,099
	Plot #A-8, Emery Air Charter	33,283
	Plot #A-11, Charles Salberg	6,600
	Plot #A-14, CLARCOR	-
	Plot #A-17, 1896 LLC	9,082
	Plot #A-18, Rubloff Hangar, LLC	38,864
	Plot #A-19, HSI Investments, LLC	11,746
	Plot #A-23, Emery Air Charter	51,420
	Plot #A-23A, Emery Air Charter	10,951
	Plot #A-27, Delbert Wildes	4,678
	Plot #A-28, HSI Investments, LLC	11,057
	Plot #A-29, Newell Rubbermaid Company	16,290
	Plot #A-32, Emery Fuel Farm	8,411
	Plot #A-33, BAX Global	10,950
	UPS, Building	1
	UPS, Fuel Farm	1
	Total land lease-on airport	<u><u>\$ 281,979</u></u>
4380	Terminal lease-concession/counter/offices	
	Advertising-Supreme Limo kiosk	600
	Automobile Rental-Avis	7,214
	Automobile Rental-Hertz	7,214
	Automobile Rental-National	7,214
	Food Service-LaMere's Special Occasion Facility	36,000
	Food Service-Coffee Shop	-

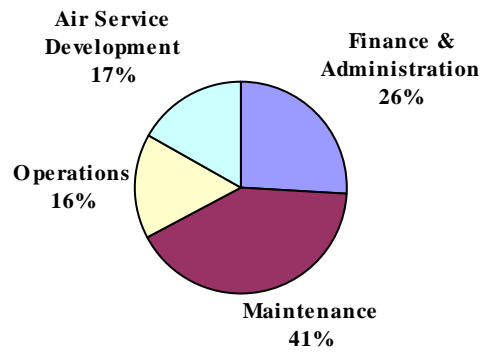
General Serv. Adm. (FAA/TSA)	12,874
Office-Crawford, Murphy & Tilly	42,977
Swissport	7,200
Total terminal lease	<u>\$ 121,293</u>
4430 Building lease-off airport	
Buildings owned by the Authority and located outside the fence line are considered landside building leases.	
GRAA Professional Building & FAA	43,276
Plot #I-2 6772 Falcon Rd	16,758
Plot #I-8 Michael Werckle	7,028
Plot #I-30 F. Newton & Associates	22,341
Plot #I-32 Car Wash Agreement (\$500/month/user)	18,000
Plot #I-15 Vista, Marketing Office	8,968
Total building lease-off airport	<u>\$ 116,371</u>
4460 Land lease-off airport	
A lease is considered a land lease if the land is leased and the lessee has added an improvement (building).	
Farm, 702 acres @ \$75/acre	52,650
Plot #I-3 Pitney Power Painting	11,487
Plot #I-4 Mechanical Tool & Engineering	6,057
Plot #I-5 Mrs. Mary Barker	4,307
Plot #I-7 Elco Textron Industries	3,479
Plot #I-9 Rock Road Company	57,561
Plot #I-10 Greenfield Industries	2,577
Plot #I-11 Fitzgerald Equipment Company	11,345
Plot #I-12 Parkside Warehouse	11,767
Plot #I-12A Parkside Warehouse	6,383
Plot #I-13 Barker Rockford Company	19,872
Plot #I-14 Clinkenbeard	5,923
Plot #I-16 Airport Pet Lodge	348
Plot #I-17 Rockford Poultry	2,157
Plot #I-17B Rockford Poultry	2,717
Plot #I-18 Freeway Rockford	3,479
Plot #I-19 Parkside Warehouse	15,830
Plot #I-21 Mechanical Tool	2,819
Plot #I-22 Willett, Hofmann & Associates	4,646
Plot #I-24 Warren Jackson	13,586
Plot #I-25 Precision Group	11,406
Plot #I-26 Blackbird, Inc	3,667
Plot #I-27 Vista, Service Station	9,742
Plot #I-28 Comet Fabrication	4,834
Plot #I-28B Comet Fabrication	5,560
Plot #I-28C Comet Fabrication	4,072
Plot #I-29 American Quality Machine	3,632
Plot #RM-2, Sjostrom & Sons	7,115
Plot #I-30 Millwork Masters	9,800
Total land lease-off airport	<u>\$ 298,818</u>
4920 Clean fill	
Tipping fees collected for clean fill collection.	
Estimate 16,000 ton @ \$1.25/ton	<u>\$ 20,000</u>
4930 Commercial operating agreements	
Budgeted Commercial Operating Agreements are based upon the actual square footage of the building (total 249,674) footprint for tenants inside the fence @\$.255/sq.ft./yr. Scheduled to increase to \$.27/sq.ft./yr. effective November 1, 2004.	
HSI Investments, LLC, A19, A28	28,530 sq.ft. 7,703
Aircraft Systems, A1	8,064 sq.ft. 2,177
Avionics Place, A4	7,350 sq.ft. 1,984
Courtesy Aircraft, A3	10,682 sq.ft. 2,884
Emery Air Charter, A8, A12, A23	134,023 sq.ft. 36,186
Groom, Norm, T/H B6	1,449 sq.ft. 391
Pride Aircraft, A20	4,620 sq.ft. 1,247
Alpine Aviation, A9	2,480 sq.ft. 670
Rubloff/1896, A18, A17	31,836 sq.ft. 8,596
A15	12,000 sq.ft. 3,375
Tim Theden, A2	8,640 sq.ft. 2,333
Total commercial operating agreements	<u>\$ 67,546</u>

4940 Foreign trade zone fees		
Murphy Leek		-
Anderson Packaging		3,000
Nissan		3,000
Total foreign trade zone fees	\$	<u>6,000</u>
4950 Fuel permits		
Fuel permits are based upon fuel dispensing criteria.		
Emery Air Charter		1,125
Courtesy Aircraft		600
Rubloff LLC		600
CLARCOR		-
Newell Rubbermaid Flight		375
Pride Aircraft		1,125
UPS		375
Total fuel permits	\$	<u>4,200</u>
4955 Late Fees		
Fees paid after due date are assessed a late fee in accordance with lease agreement.	\$	<u>1,000</u>
4960 Quarry fees		
Royalties- Rockford Sand & Gravel @ \$7,500 per month.	\$	<u>90,000</u>
4970 Snow removal		
Charges to airport tenants for contracted snow removal services.	\$	<u>2,500</u>
4980 Stormwater fees		
Budgeted storm water fees. (currently UPS is the only user)		
United Parcel Service (\$12,500 x 12)	\$	<u>150,000</u>
4990 Miscellaneous		
Vending machine commissions		500
Scrap iron		150
Permits/gate fees/I.D.'s		150
Auditorium/classroom rent		500
Airport fines		2,700
Other		1,000
Total miscellaneous	\$	<u>5,000</u>

Operating Expenses Summary

The Authority is made up of four departments that include Finance and Administration, Maintenance, Operations and Air Service Development. Each departmental budget is presented in the next sections. This includes a summary of the department, goals for the coming year, the budget, and justifications. As you can see from the graph below Maintenance is the largest budget which is normal for the industry.

Operating Expenses by Department



Following is a summary page of the entire operating expense budget. This will allow for a better understanding of how all four departments contribute to the Authority.

Operating Expenses Combined Departmental Budget

CODE/LINE ITEM, All Departments	Finance & Admin.	Maintenance	Operations	Air Serv Develop	BUDGET FYE05	BUDGET FYE04	Percent Change
PERSONNEL SERVICES							
5400 Insurance	\$ 80,159	\$ 153,049	\$ 17,039	\$ 12,400	\$ 262,647	\$ 281,108	(6.57%)
5401 Insurance-retirees	98,425	-	-	-	98,425	88,004	11.84%
5450 Overtime	1,459	29,605	-	-	31,064	103,000	(69.84%)
5451 Double time	-	7,351	-	-	7,351	-	100.00%
5500 Payroll taxes	45,411	70,376	11,606	7,260	134,653	161,467	(16.61%)
5560 Pension contribution	77,502	98,545	17,436	11,299	204,783	152,697	34.11%
5561 Pension contributionGraaPebSCO	5,700	-	-	-	5,700	5,700	0.00%
5600 Salaries/wages	573,642	746,229	138,383	89,675	1,547,930	1,839,434	(15.85%)
5610 Pager pay	-	7,800	-	-	7,800	7,800	0.00%
5700 Tool allowance	-	1,800	-	-	1,800	1,800	0.00%
5750 Training	6,900	7,038	2,250	850	17,038	40,700	(58.14%)
5800 Workers compensation insurance	3,983	98,231	8,517	637	111,368	-	100.00%
5900 Uniforms	-	4,446	-	-	4,446	10,728	(58.56%)
5901 Uniforms-lost,damaged,replaced	-	500	-	-	500	200	150.00%
5902 Uniforms-shoe allowance	-	750	-	-	750	-	100.00%
5903 Uniforms-other	-	1,400	-	-	1,400	1,972	(29.01%)
TOTAL PERSONNEL SERVICES	893,181	1,227,121	195,231	122,121	2,437,655	2,694,610	(9.54%)
CONTRACTUAL SERVICES							
6020 Advertising	-	-	-	350,000	350,000	30,000	1066.67%
6050 Audit	16,575	-	-	-	16,575	16,075	3.11%
6040 Airfield repair	-	2,000	-	-	2,000	2,000	0.00%
6100 Building repair	2,000	21,000	-	-	23,000	27,000	(14.81%)
6120 Charter program	-	-	-	-	-	150,000	(100.00%)
6121 Advertising program	-	-	-	30,000	30,000	250,000	(88.00%)
6140 Conferences & meetings	9,530	500	-	8,195	18,225	15,600	16.83%
6160 Consulting services	31,650	-	-	27,750	59,400	34,200	73.68%
6161 ARFF contractual services	-	-	650,000	-	650,000	-	100.00%
6162 ARFF training	-	-	16,100	-	16,100	-	100.00%
6201 Energy-electric	28,000	157,000	-	-	185,000	132,000	40.15%
6202 Energy-natural gas	14,000	64,000	-	-	78,000	75,000	4.00%
6300 Engineering services	30,000	-	-	-	30,000	35,000	(14.29%)
6321 Equip maint-repairs/services	1,000	6,700	10,536	-	18,236	8,650	110.82%
6322 Equip maint-service contracts	7,100	10,800	-	-	17,900	36,850	(51.42%)
6350 Equipment rental	6,500	13,850	-	-	20,350	13,700	48.54%
6400 Insurance	223,662	-	-	-	223,662	358,981	(37.70%)
6402 Insurance deductible	10,000	-	-	-	10,000	10,000	0.00%
6410 Landscaping	-	200	-	-	200	2,000	(90.00%)
6440 Legal notices	6,300	-	-	-	6,300	6,000	5.00%
6451 Legal services-general	35,400	-	-	-	35,400	26,000	36.15%
6452 Legal services-personnel	30,000	-	-	-	30,000	25,000	20.00%
6453 Legal services-other	9,960	-	-	-	9,960	10,000	(0.40%)
6480 Licenses,titles & inspections	-	1,000	1,500	-	2,500	7,700	(67.53%)
6510 Medical exams	400	1,100	500	-	2,000	5,600	(64.29%)
6540 Membership dues	20,950	300	375	785	22,410	25,550	(12.29%)
6600 Other	2,550	-	1,000	1,000	4,550	11,200	(59.38%)
6640 Payment services	9,100	-	-	-	9,100	13,000	(30.00%)
6670 Permits & testing	-	1,250	-	-	1,250	2,000	(37.50%)
6700 Postage	8,700	-	-	5,550	14,250	15,750	(9.52%)
6730 Printing	4,000	-	-	16,075	20,075	14,075	42.63%
6751 Telephone-cellular	3,100	11,000	1,500	1,500	17,100	14,432	18.49%
6752 Telephone-local	21,388	8,650	1,500	2,200	33,738	25,100	34.41%
6753 Telephone-long distance	3,100	320	220	900	4,540	5,800	(21.72%)
6754 Telephone-pagers	-	450	-	-	450	576	(21.88%)
6800 Travel & transportation	17,700	2,400	2,250	13,500	35,850	48,950	(26.76%)
6850 Utilities	1,850	14,300	-	-	16,150	8,000	101.88%
6900 Vehicle maintenance	1,500	10,000	-	-	11,500	25,000	(54.00%)
6950 Waste removal	-	11,400	-	-	11,400	15,680	(27.30%)
TOTAL CONTRACTUAL SERVICES	556,015	338,220	685,481	457,455	2,037,171	1,502,469	35.59%

CODE/LINE ITEM, All Departments	Finance & Admin.	Maintenance	Operations	Air Serv Develop	BUDGET FYE05	BUDGET FYE04	Percent Change
COMMODITIES							
7100 Building repair	1,000	32,140	-	-	33,140	26,000	27.46%
7140 Conferences & meetings	10,000	3,200	500	6,000	19,700	14,600	34.93%
7200 Equipment	7,300	6,800	26,300	-	40,400	61,986	(34.82%)
7240 Fence/gate	-	2,600	-	-	2,600	3,000	(13.33%)
7271 Fuel-diesel	-	27,500	-	-	27,500	30,000	(8.33%)
7272 Fuel-unleaded	-	22,500	-	-	22,500	16,200	38.89%
7273 Fuel-other	-	400	-	-	400	300	33.33%
7300 Landscaping	-	8,000	-	-	8,000	10,000	(20.00%)
7380 Other	1,000	750	1,000	1,000	3,750	4,000	(6.25%)
7400 Pavement marking	-	25,000	-	-	25,000	24,000	4.17%
7440 Pavement repair	-	7,000	-	-	7,000	20,000	(65.00%)
7500 Raw materials	-	2,200	-	-	2,200	6,000	(63.33%)
7501 Raw materials-deicing only	-	206,880	-	-	206,880	294,000	(29.63%)
7540 Signage	-	5,500	-	-	5,500	3,000	83.33%
7580 Software	18,000	1,000	5,000	-	24,000	12,000	100.00%
7600 Subscriptions	6,525	2,460	1,075	60	10,120	8,100	24.94%
7660 Supplies-janitorial	-	15,300	-	-	15,300	10,000	53.00%
7690 Supplies-lighting(airfield)	-	42,000	-	-	42,000	30,000	40.00%
7720 Supplies-mechanical (airfield)	-	36,400	-	-	36,400	-	100.00%
7750 Supplies-office	11,000	-	700	250	11,950	11,500	3.91%
7780 Supplies-other	-	4,000	-	-	4,000	4,000	0.00%
7782 Supplies-hardware	-	6,400	-	-	6,400	3,000	113.33%
7796 Supplies-promotional	-	-	-	25,000	25,000	30,000	(16.67%)
7810 Supplies-specialty	-	-	1,540	-	1,540	1,540	0.00%
7830 Supplies-steel stock	-	2,100	-	-	2,100	3,000	(30.00%)
7850 Supplies-storm sewer/drain	-	1,000	-	-	1,000	1,000	0.00%
7880 Supplies-welding	-	2,200	-	-	2,200	2,300	(4.35%)
7900 Vehicle maintenance	-	-	-	-	-	12,000	(100.00%)
7901 Maint-licensed vehicles	500	5,750	-	-	6,250	48,500	(87.11%)
7902 Maint-equipment	-	55,000	-	-	55,000	48,500	13.40%
TOTAL COMMODITIES	55,325	524,080	36,115	32,310	647,830	738,526	(12.28%)
OTHER							
8200 Contingency	28,000	-	-	-	28,000	40,000	(30.00%)
8350 Marketing	7,500	-	-	-	7,500	5,000	50.00%
8400 Glycol retention treatment facility	-	88,100	-	-	88,100	150,000	(41.27%)
8410 Landfill environmental costs	-	187,000	-	-	187,000	180,000	3.89%
TOTAL OTHER	35,500	275,100	-	-	310,600	375,000	(17.17%)
FISCAL YEAR TOTALS	\$ 1,540,021	\$ 2,364,521	\$ 916,827	\$ 611,886	\$ 5,433,256	\$ 5,310,605	2.31%

Finance and Administration Department Summary

The Finance and Administration Department is responsible for the financial management and administration of policies and procedures of the Greater Rockford Airport Authority. This includes financial and activity reporting on a monthly and annual basis, budget preparation and auditing. All accounting functions are conducted "in house," which includes fund collection and disbursement, investment management and grant management. The Department also establishes and maintains safeguards to protect the Authority's assets, which includes risk management duties. The Authority has over one hundred tenants and the Department administers and manages all leases. An outside vendor conducts payroll activities, but the Department oversees all other payroll functions. The Department issues fuel permits, commercial operating agreements and prepares annual Disadvantage Business Enterprise Reports and Occupational Safety Health Administration Reports. Other areas of responsibility include all human resource functions including but not limited to policies and procedures, hiring, responsibility for all personnel files, and insurance related issues. The Department also has oversight of procurement, and information technology services. The Finance & Administration Department oversees all Foreign Trade Zone activities.

FYE05 Goals and Objectives

1. Review and implement all of GFOA's Best Practices for Finance Departments.
2. Evaluation of the payables function from the placement of an order to the payment of the invoice. The evaluation will include streamlining of functions as well as procedure changes.
3. Further refine procurement procedures using an electronic medium.
4. Review and evaluation of all job descriptions and Personnel Policy.
5. Review and evaluation of the investment policy for better utilization of short and long term excess funds.

Finance and Administration Department Budget

CODE/LINE ITEM, Department 04	ACTUAL FYE01	ACTUAL FYE02	ACTUAL FYE03	BUDGET FYE04	ESTIMATE FYE04	BUDGET FYE05
PERSONNEL SERVICES						
5400 Insurance	\$ 85,953	\$ 55,652	\$ 72,798	\$ 75,778	\$ 71,122	\$ 80,159
5401 Insurance-retirees	-	62,614	77,001	88,004	82,296	98,425
5450 Overtime	401	559	1,018	500	1,152	1,459
5500 Payroll taxes	54,653	54,385	62,002	50,330	52,392	45,411
5560 Pension contribution	45,188	69,466	40,701	46,860	63,228	77,502
5561 Pension contributionGraaPebSCO	-	-	5,758	5,700	5,610	5,700
5600 Salaries/wages	587,343	564,127	617,306	643,076	595,527	573,642
5750 Training	6,191	2,506	1,374	7,100	4,724	6,900
5800 Workers compensation insurance	-	-	-	-	-	3,983
5900 Uniforms	-	-	-	-	-	-
TOTAL PERSONNEL SERVICES	779,729	809,309	877,958	917,348	876,050	893,181
CONTRACTUAL SERVICES						
6050 Audit	14,075	16,456	18,691	16,075	14,797	16,575
6100 Building repair	720	213	891	2,000	-	2,000
6140 Conferences & meetings	3,807	4,270	12,085	8,400	10,821	9,530
6160 Consulting services	57,515	104,274	33,893	33,000	41,307	31,650
6200 Energy	53,362	-	-	-	-	-
6201 Energy-electric	-	25,236	30,427	22,000	29,150	28,000
6202 Energy-natural gas	-	8,626	9,761	15,000	5,752	14,000
6300 Engineering services	22,993	30,287	22,353	35,000	38,595	30,000
6320 Equipment maintenance	9,340	209	-	-	-	-
6321 Equip.maint-repairs/services	-	1,138	3,835	1,150	4,939	1,000
6322 Equip.maint-service contracts	-	9,458	7,223	7,350	1,540	7,100
6350 Equipment rental	1,752	1,752	1,892	1,700	1,168	6,500
6400 Insurance	141,026	155,804	237,339	358,981	254,128	223,662
6402 Insurance deductible	-	5,357	-	10,000	1,304	10,000
6440 Legal notices	4,231	3,853	5,739	6,000	8,037	6,300
6450 Legal services	105,438	-	-	-	-	-
6451 Legal services-general	-	25,052	35,868	26,000	36,640	35,400
6452 Legal services-personnel	-	44,108	24,273	25,000	23,750	30,000
6453 Legal services-other	-	10,599	46,778	10,000	17,936	9,960
6510 Medical exams	32	1,656	361	1,000	253	400
6540 Membership dues	22,625	21,650	23,310	24,000	12,320	20,950
6600 Other	7,730	8,386	13,607	6,000	9,378	2,550
6640 Payment services	9,910	8,844	9,958	13,000	9,780	9,100
6700 Postage	3,755	5,261	6,876	10,200	7,819	8,700
6730 Printing	5,875	4,297	7,668	6,000	9,211	4,000
6750 Telephone	27,499	-	-	-	-	-
6751 Telephone-cellular	-	768	2,866	2,280	3,149	3,100
6752 Telephone-local	-	9,792	11,510	15,000	17,685	21,388
6753 Telephone-long distance	-	2,240	1,658	2,000	2,953	3,100
6754 Telephone-pagers	-	450	168	-	191	-
6800 Travel & transportation	17,702	12,425	20,235	21,060	19,968	17,700
6850 Utilities	-	-	-	-	-	1,850
6900 Vehicle maintenance	-	-	-	2,000	-	1,500
TOTAL CONTRACTUAL SERVICES	509,387	522,461	589,266	680,196	582,570	556,015
COMMODITIES						
7100 Building repair	594	353	3,598	1,000	1,984	1,000

CODE/LINE ITEM, Department 04	ACTUAL FYE01	ACTUAL FYE02	ACTUAL FYE03	BUDGET FYE04	ESTIMATE FYE04	BUDGET FYE05
7140 Conferences & meetings	4,640	8,597	9,699	10,000	11,503	10,000
7200 Equipment	11,656	5,899	6,355	15,000	8,820	7,300
7380 Other	158	906	16	2,000	972	1,000
7580 Software	3,942	3,402	7,298	6,000	4,212	18,000
7600 Subscriptions	4,614	5,708	4,287	5,000	3,903	6,525
7750 Supplies-office	8,633	8,788	11,390	10,000	10,163	11,000
7900 Vehicle maintenance	444	-	-	1,000	-	-
7901 Maint-licensed vehicles	-	267	2,049	-	299	500
7902 Maint-equipment	-	-	-	-	-	-
TOTAL COMMODITIES	34,681	33,920	44,692	50,000	41,856	55,325
OTHER						
8200 Contingency	-	-	-	40,000	-	28,000
8350 Marketing	28,235	31,695	47,798	5,000	10,735	7,500
TOTAL OTHER	28,235	31,695	47,798	45,000	10,735	35,500
DEPARTMENT TOTAL	\$ 1,352,032	\$ 1,397,385	\$ 1,559,714	\$ 1,692,544	\$ 1,511,211	\$ 1,540,021

Finance and Administration Department Justifications

PERSONNEL SERVICES

5400 Insurance

Health, dental and life insurance costs for employees and eligible retirees.

Health insurance

The annual cost for the Authority for medicare eligible retirees is listed below, all those not medicare eligible have the same coverage as employees.

The annual cost for the Authority of 80% is as follows by each type of coverage:

Employee = \$3,816

Employee + Spouse = \$7,505

Employee + Children = \$6,757

Family = \$10,447

Medicare Supp. D = \$1,953

Dental insurance

Monthly administration fee of \$4.85 per employee and eligible retiree plus estimated actual costs. The dental insurance is self funded.

Life insurance

Life and AD&D insurance is provided to current employees. The benefit is 2.5 times an employee's base salary with life at \$.21/\$1000 and AD&D at \$.05/\$1000. Eligible retirees are also provided with a \$2,500 life insurance benefit.

Employees

Health	71,662
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Dental	4,491
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Life	4,006
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Total employee insurance	\$ 80,159
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5401 Retiree insurance

Health	90,802
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Dental	7,505
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Life	119
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Total retiree insurance	\$ 98,425
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5450 Overtime

Estimated 60 hours of overtime for hourly employees.	\$ 1,459
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5500 Payroll taxes

FICA - 6.2% of base wage up to \$87,900	31,735
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Medicare - 1.45% of base wage	8,435
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State unemployment - 5.2% of the first \$9,800	5,242
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Total payroll taxes	\$ 45,411
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5560 Pension contribution

IMRF pension fund - 12.6%	\$ 77,502
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5561 Pension contribution GRAA Pepsco

Pepsco contribution for Executive Director (\$221 x 26pays)	\$ 5,700
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5600 Salaries		
Commissioner stipends - Seven commissioners		12,600
Salaries - Nine full time employees		561,042
Total salaries		<u>\$ 573,642</u>
5750 Training		
Continuing professional education (CPE's)		500
Human resources & supervision		500
Other training		500
Tuition reimbursement		2,900
Procurement/finance		1,000
Information technology training		1,500
Total training		<u>\$ 6,900</u>
5800 Workers compensation insurance		<u>\$ 3,983</u>
CONTRACTUAL SERVICES		
6050 Audit		
Independent auditor		14,500
GFOA audit award		350
GFOA budget award		225
AFR production costs		1,500
Total audit		<u>\$ 16,575</u>
6100 Building repair		
Structural repair of administration building.		<u>\$ 2,000</u>
6140 Conferences & meetings		
AAAE annual conference (1)		500
AAAE Board of Directors and Board of Examiners (4)		1,500
AAAE Reimbursement		(1,500)
Airport Purchasing Group (APG) annual conference		150
Assoc. of Airport Internal Auditors (AAIA) annual conference		250
Council of 100, annual meeting		450
Illinois Public Airports (IPA), annual meeting		230
Chamber of Commerce, State of the City Luncheon		650
GFOA conference (1)		350
Airport finance conference		300
Great Lakes AAAE conference		250
Other conferences (\$300 ea)		1,500
Other meetings- Executive Director		2,500
Business lunches/dinners (\$200/mo)		2,400
Total conferences & meetings		<u>\$ 9,530</u>
6160 Consulting services		
Appraisal services		3,000
Information technology consultant - August Consulting		12,000
Other consultants-phone system, etc.		3,000
Accounting software consultant		3,000
Financial analyst, Kane McKenna		1,000
State affairs, Rockford Local Development		7,000

	Flexstar 125 - \$52/mo	650
	Other	2,000
	Total consulting services	<u>\$ 31,650</u>
6201	Energy-electric (2 meters @ 60 Airport Dr.)	<u>\$ 28,000</u>
6202	Energy-natural gas (3 meters @ 60 Airport Dr.)	<u>\$ 14,000</u>
6300	Engineering services	
	Cost for professional engineering services rendered by outside engineering firms.	
	Crawford, Murphy & Tilly, Inc.	25,000
	Other	5,000
	Total engineering services	<u>\$ 30,000</u>
6321	Equip maint-repairs/services	<u>\$ 1,000</u>
6322	Equip maint-service contracts	
	Software support - Best FAS	650
	Software support - MAS90	2,500
	Software support - property management	1,300
	Software support - PeopleTrac (\$800 for 2 yrs-expires Feb'05)	800
	Telephone system (Avaya-begins 11/1/04 \$3,700/yr)	1,850
	Total equipment maintenance-service contracts	<u>\$ 7,100</u>
6350	Equipment rental	
	Postage/scale meter lease (\$225/mo)	2,700
	Copy machine (\$300/mo)	3,600
	Other	200
	Total equipment rental	<u>\$ 6,500</u>
6400	Insurance	
	Aviation liability	47,065
	Automotive	20,101
	Employee dishonesty	100
	Property	77,123
	Public officials liability	79,273
	Total insurance	<u>\$ 223,662</u>
6402	Insurance deductible	<u>\$ 10,000</u>
6440	Legal notices	
	Publication costs for public notices, including bid documents, Treasurer's Report, personnel notices.	
	Annual receipts & disbursement report	1,200
	Bid documents (est \$500/ad-approx 10)	5,000
	Public meeting notices	100
	Total legal notices	<u>\$ 6,300</u>
6451	Legal services-general (approx \$2,950/mo)	<u>\$ 35,400</u>

6452	Legal services-personnel (approx \$2,500/mo)	<u><u>\$ 30,000</u></u>
6453	Legal services-other (approx \$830/mo)	<u><u>\$ 9,960</u></u>
6510	Medical exams	<u><u>\$ 400</u></u>
6540	Membership dues	
	Association of Airport Internal Auditors (AAIA)	125
	American Association of Airport Executives (AAAE) (2)	450
	Airport Purchasing Group (APG)	50
	American Certified Professional Accountants Society (AICPA)	150
	Chamber of Commerce (Belvidere, Freeport, Loves Park-Machesney Park, & Rockford)	1,140
	Corporate Travel	25
	Council of 100	12,000
	Employers Association	300
	Government Finance Officers Assoc (GFOA) - 2	300
	Greater Rockford Transportation Coalition (GRTC)	250
	Growth Dimensions (Boone Co)	1,200
	Illinois Certified Professional Accountants Society (ICPA)	225
	Illinois Public Airports Association (IPAA)	2,000
	McHenry County Economic Development Corp	500
	National Institute of Governmental Purchasing (NIGP)	290
	National Public Employers Labor Relations Assoc. (NPELRA)	200
	National Purchasing Institute & Institute of Supply Mgmt (NPI&ISM)	180
	National Association of Foreign Trade Zones (NAFTZ)	950
	Other	205
	Sam's club	135
	Society for Human Resource Management (SHRM)	225
	Wells Fargo BusinessMiles fee	50
	Total membership dues	<u><u>\$ 20,950</u></u>
6600	Other - Contractual services not itemized in other accounts.	<u><u>\$ 2,550</u></u>
6640	Payment services	
	Bi-weekly payroll processing & quarterly reports (\$500/mo est)	6,000
	Bond paying agent (5 @ \$600)	3,000
	Other	100
	Total payment services	<u><u>\$ 9,100</u></u>
6700	Postage	
	Overnight mail	100
	Postage, metered (approx \$700/mo)	8,400
	Other	200
	Total postage	<u><u>\$ 8,700</u></u>
6730	Printing	
	Checks, statements, HR forms	1,000
	Enlarging, duplicating, binding	1,500
	Photographs	500
	Miscellaneous	1,000
	Total printing	<u><u>\$ 4,000</u></u>

6751 Telephone-cellular	<u>\$ 3,100</u>
6752 Telephone-local	
Local carrier	9,300
Remote internet connection	2,500
Internet connection (T1 connection)	9,588
Total telephone - local	<u>\$ 21,388</u>
6753 Telephone-long distance	<u>\$ 3,100</u>
6800 Travel & transportation (airfare/hotel/per diem)	
Amounts include an estimate of \$600/trip airfare, Lodging of \$140/night and M&I of \$40/day.	
<i>Executive Director</i>	
Airline recruitment (4t) (2n)	2,880
AAAE Board of Directors (4t) (4n)	2,640
AAAE Chapter (2t) (3n)	2,280
Other (3t) (2n)	2,880
AAAE Reimbursement	(1,500)
<i>Deputy Director of Operations</i>	
Other annual (4n)	1,320
Other (4n)	1,320
<i>Deputy Director of Admin/Fin</i>	
Annual conf, (4n)	1,320
Other (4n)	1,320
<i>Other staff</i>	
Other (4n)	1,320
Other (2t) (2n)	1,920
Total travel & transportation	<u>\$ 17,700</u>
6850 Utilities	
Water	1,000
Sewer	850
Total utilities	<u>\$ 1,850</u>
6900 Vehicle maintenance	
Two departmental vehicles	1,500
Total vehicle maintenance	<u>\$ 1,500</u>
COMMODITIES	
7100 Building repair	
Materials for administration and operations building.	<u>\$ 1,000</u>
7140 Conferences & meetings	
In-house lunch/meetings	4,000
Bottled water	1,000
Meeting supplies	5,000
Total conferences & meetings	<u>\$ 10,000</u>

7200 Equipment		
Computers		1,500
Barcode equipment		2,000
EtherWan fiber switch - single mode		1,800
Other		2,000
Total equipment		<u>\$ 7,300</u>
7380 Other - Commodities not itemized in other accounts.		<u>\$ 1,000</u>
7580 Software		
Payroll software		2,000
MAS90 Barcode		2,000
Other		14,000
Total software		<u>\$ 18,000</u>
7600 Subscriptions		
Aviation Daily		1,700
Basic Guide to Payroll		200
BNA - HR Services - website subscription		1,500
Chicago Tribune		250
Digicast Email (AAAE)		425
Other (includes publications)		835
Payroll Manager's Guide/SS Guide		240
Rockford Register Star (1)		200
Top Health		275
Web Site and Email Hosting \$50/month and \$25/month		900
Total subscriptions		<u>\$ 6,525</u>
7750 Supplies-office		
Copier & printer paper/fax cartridges		4,000
Office supplies		4,000
Stationery/envelopes for stock		2,000
Binding machine		1,000
Total supplies-office		<u>\$ 11,000</u>
7901 Maintenance-licensed vehicles		<u>\$ 500</u>
OTHER		
8200 Contingency		<u>\$ 28,000</u>
8350 Marketing		
Marketing activities including Foreign Trade Zone promotion.		
Telephone yellow pages listing		3,000
Telephone monthly listing \$25/mo		300
Other		4,200
Total marketing		<u>\$ 7,500</u>

Maintenance Department Summary

The Maintenance Department is a multi-service department responsible for the repair, replacement and maintenance of the Authority's facilities including 9,955,450 sq. ft. of pavement (runways, taxiways, aprons, and roadways) that must be cleared of snow and kept free of all debris. In addition, the department is responsible for the maintenance of fifty vehicles and one hundred pieces of equipment. The department installs, replaces and repairs all lighting fixtures on runways, taxiways and aprons. The department plays a key role in all construction projects and oversees the operations of the glycol retention/treatment facility and the landfill.

FYE05 Goals and Objectives

1. Evaluation of scheduling process for better coverage of RFD operations.
2. Reduce the number of overtime hours worked from the previous year.

Maintenance Department Budget

CODE/LINE ITEM, Department 05	ACTUAL FYE 01	ACTUAL FYE 02	ACTUAL FYE 03	BUDGET FYE 04	ESTIMATE FYE 04	BUDGET FYE 05
PERSONNEL SERVICES						
5400 Insurance	\$ 88,970	\$ 103,318	\$ 122,036	\$ 128,747	\$ 135,047	\$ 153,049
5450 Overtime	83,711	39,491	32,294	35,000	30,398	29,605
5451 Double time	-	7,374	7,160		24,214	7,351
5500 Payroll taxes	57,523	54,680	53,075	66,730	56,679	69,978
5560 Pension contribution	52,222	34,622	38,307	62,118	66,586	97,890
5600 Salaries/wages	686,853	681,174	671,502	739,022	667,525	746,229
5610 Pager pay	-	2,914	7,800	7,800	7,600	2,600
5700 Tool allowance	1,800	1,850	1,750	1,800	1,800	1,800
5750 Training	1,183	1,003	395	3,700	381	7,038
5800 Workers compensation insurance	-	-	-	-	-	98,231
5900 Uniforms	6,469	6,421	4,625	6,750	4,577	4,446
5901 Uniforms-lost,damaged,replaced	-	-	2,623	-	387	500
5902 Uniforms-shoe allowance	-	806	594	-	850	750
5903 Uniforms-other	-	58	333	-	-	1,400
5904 Uniforms-eyeglasses	-	150	376	-	200	-
TOTAL PERSONNEL SERVICES	978,731	933,861	942,869	1,051,667	996,244	1,220,867
CONTRACTUAL SERVICES						
6040 Airfield repair	187	916	3,993	2,000	267	2,000
6100 Building repair	17,429	23,872	22,359	25,000	42,881	21,000
6140 Conferences & meetings	337	300	400	750	23	500
6200 Energy	186,737	-	-	-	-	-
6201 Energy-electric	-	112,806	88,990	110,000	188,221	157,000
6202 Energy-natural gas	-	38,852	48,555	60,000	25,325	64,000
6320 Equipment maintenance	12,324	-	-	-	-	-
6321 Equip maint-repairs/services	-	5,958	13,907	3,500	26,159	6,700
6322 Equip maint-service contracts	-	8,899	7,907	13,500	6,362	10,800
6350 Equipment rental	2,053	8,623	13,713	12,000	16,778	13,850
6410 Landscaping	2,203	1,200		2,000	17	200
6480 Licenses, titles & inspections	1,009	834	1,007	1,000	1,882	1,000
6510 Medical exams	1,529	1,137	2,835	1,100	3,464	1,100
6540 Membership dues	260	295	-	500	-	300
6600 Other	47,187	27,067	20,571	5,000	1,439	-
6670 Permits & testing	152	700	1,497	2,000	13	1,250
6750 Telephone	11,076	-	-	-	-	-
6751 Telephone-cellular	-	913	6,269	9,050	9,925	11,000
6752 Telephone-local	-	6,715	6,726	6,000	8,091	8,650
6753 Telephone-long distance	-	286	262	1,500	314	320
6754 Telephone-pagers	-	956	614	576	573	450
6800 Travel & transportation	156	1,544	352	5,400	1,273	2,400
6850 Utilities	6,811	8,782	10,451	8,000	14,262	14,300
6900 Vehicle maintenance	2,005	11,901	9,655	15,000	4,578	10,000
6950 Waste removal	17,077	16,025	14,303	15,680	12,149	11,400
TOTAL CONTRACTUAL SERVICES	308,532	278,581	274,365	299,556	363,994	338,220

COMMODITIES							
7100	Building repair	15,897	30,790	30,030	25,000	54,778	32,140
7140	Conferences & meetings	4,280	3,417	2,932	3,600	2,643	3,200
7200	Equipment	79,161	33,934	40,331	41,800	79,696	6,800
7240	Fence/gate	1,634	729	7,097	3,000	1,648	2,600
7270	Fuel	10,000	-	-	-	-	-
7271	Fuel-diesel	-	16,638	51,385	30,000	17,126	27,500
7272	Fuel-unleaded	-	17,521	17,114	16,200	21,659	22,500
7273	Fuel-other	-	195	556	300	329	400
7300	Landscaping	7,081	9,359	8,403	10,000	6,727	8,000
7380	Other	64	464	454	1,000	822	750
7400	Pavement marking	25,819	28,518	9,537	24,000	7,282	25,000
7440	Pavement repair	380	43,219	1,738	20,000	12,795	7,000
7500	Raw materials	495,914	2,988	1,971	6,000	666	2,200
7501	Raw materials-deicing only	-	166,825	97,698	294,000	176,236	206,880
7540	Signage	2,043	218	1,317	3,000	10,368	5,500
7580	Software	-	-	9,330	1,000	2,200	1,000
7600	Subscriptions	2,409	1,143	1,635	1,800	1,628	2,460
7660	Supplies-janitorial	10,665	9,219	11,220	10,000	10,278	15,300
7690	Supplies-lighting/electrical (airside)	33,953	43,597	20,900	30,000	47,611	42,000
7720	Supplies-snow removal wafers, ploy-steel blades	2,048	-	-	-	-	36,400
7780	Supplies-other	11,468	2,662	2,591	4,000	3,775	4,000
7782	Supplies-hardware	-	5,837	2,705	3,000	9,272	6,400
7830	Supplies-steel stock	1,473	921	1,775	3,000	1,010	2,100
7850	Supplies-storm sewer/drain	1,884	-	18	1,000	427	1,000
7880	Supplies-welding	3,178	2,812	1,273	2,300	359	2,200
7900	Vehicle maintenance	104,398	38,916	10,983	10,000	17,151	-
7901	Maint-licensed vehicles	-	5,466	10,357	45,000	4,107	5,750
7902	Maint-equipment	-	60,428	60,471	45,000	39,423	55,000
	TOTAL COMMODITIES	813,749	525,817	403,820	634,000	530,017	524,080
OTHER							
8200	Contingency	-	-	-	-	-	-
8400	Glycol retention treatment facility	87,030	106,332	83,139	150,000	69,553	88,100
8410	Landfill environmental costs	219,701	113,446	155,416	180,000	206,877	187,000
	TOTAL OTHER	306,731	219,778	238,555	330,000	276,430	275,100
	DEPARTMENT TOTAL	\$ 2,407,743	\$ 1,958,037	\$ 1,859,609	\$ 2,315,223	\$ 2,166,685	\$ 2,358,267

Maintenance Department Justifications

PERSONNEL SERVICES

5400 Insurance		
	Health, dental and life insurance costs for employees.	
	<i>Health insurance</i>	
	The annual cost for the Authority of 80% is as follows by each type of coverage:	
	Employee = \$3,816	
	Employee + Spouse = \$7,505	
	Employee + Children = \$6,757	
	Family = \$10,447	
	<i>Dental insurance</i>	
	Monthly administration fee of \$4.85 per employee plus estimated actual costs. The dental insurance is self funded.	
	<i>Life insurance</i>	
	Life and AD&D insurance is provided to current employees. The benefit is 2.5 times an employee's base salary with life at \$.21/\$1000 and AD&D at \$.05/\$1000.	
	Health	137,703
	Dental	9,667
	Life	5,680
	Total employee insurance	<u>\$ 153,049</u>
5450 Overtime	Estimated 1,065 hours of overtime for hourly employees.	<u>\$ 29,605</u>
5451 Double time	Estimated 220 hours of overtime for hourly employees.	<u>\$ 7,351</u>
5500 Payroll taxes		
	FICA - 6.2% of base wage up to \$87,900	48,830
	Medicare - 1.45% of base wage	11,420
	State unemployment - 5.2% of the first \$9,800	9,728
	Total payroll taxes	<u>\$ 69,978</u>
5560 Pension contribution	IMRF pension fund - 12.6%	<u>\$ 97,890</u>
5600 Salaries	Includes 18 full time employees and 2 seasonal employees	<u>\$ 746,229</u>
5610 Pager pay (3ee @ \$50/wk)		<u>\$ 2,600</u>
5700 Tool allowance (3ee @ \$50/mo)		<u>\$ 1,800</u>
5750 Training		
	Oshkosh (OTC/DDEC) (1ee)	1,200
	Honeywell (Regulators/NAVAIDS) (1ee)	4,000
	Rock Valley (job related - Tech I, II, III) (4 @ 250)	838
	Environmental (2ee)	1,000
	Total training	<u>\$ 7,038</u>
5800 Workers compensation insurance		<u>\$ 98,231</u>
5900 Uniforms	15ee @ \$5/week and 1ee @ \$8/week	<u>\$ 4,446</u>
5901 Uniforms - lost/damage/replacement		<u>\$ 500</u>

5902	Uniforms - steel toe shoes	<u>\$ 750</u>
5903	Uniforms - other	
	Work gloves	200
	Coats/caps	1,200
	Total other uniforms	<u>\$ 1,400</u>
CONTRACTUAL SERVICES		
6040	Airfield repair	
	Contractual services for repairs to lighting system, pavement surfaces and plumbing systems.	<u>\$ 2,000</u>
6100	Building repair	
	Contractual service costs for the repair or modification to various airport owned and maintained buildings including pest control.	
	Overhead door repairs	3,000
	Automatic door repairs (Terminal vestibules)	1,000
	Pest control	3,500
	Rug runners	3,000
	Bldg security (Term, Prof, Ops) Fire/ADT/107.14	2,500
	Sewer/drainage jetting and pumping	5,000
	Other	3,000
	Total building repair	<u>\$ 21,000</u>
6140	Conferences & meetings	<u>\$ 500</u>
6201	Energy-electric (26 meters)	<u>\$ 157,000</u>
6202	Energy-natural gas (9 meters)	<u>\$ 64,000</u>
6321	Equip maint-repairs/services	
	Furnaces/AC units	1,500
	Terminal HVAC chiller	1,500
	Equipement	3,000
	Radio repairs	700
	Total equipment maintenance-repairs/services	<u>\$ 6,700</u>
6322	Equip maint-service contracts	
	Copy machine contracts	1,000
	Elevator service contract	5,100
	SCAN system contract	3,200
	Telephone	500
	Other	1,000
	Total equipment maintenance-service contracts	<u>\$ 10,800</u>
6350	Equipment rental	
	Non-owned specialty equipment	
	Aerial 80' lift for apron lighting (UPS)	9,600
	Interior high lift for terminal lighting	1,000
	Backhoe	1,000
	Compactor	75
	Pavement milling machine	800
	Core aerator	100
	Slit seeder	75
	Pup roller	500
	Fire hydrant 1" water meter (yearly)	200
	Other	500
	Total equipment rental	<u>\$ 13,850</u>

6410 Landscaping	<u><u>\$ 200</u></u>
6480 Licenses, titles & inspections	
Yearly license renewal on all applicable vehicles and trailers and any necessary semiannual inspection.	
Rolling stock yearly license plates	400
Trucks/trailers semi-annual inspections	150
Title services	300
Other	150
Total license, titles & inspections	<u><u>\$ 1,000</u></u>
6510 Medical exams	<u><u>\$ 1,100</u></u>
6540 Membership dues	
Water Environment Federation	<u><u>\$ 300</u></u>
6670 Permits & testing	
Backflow preventors	750
UPS sanitary lift station certification	500
Total permits & testing	<u><u>\$ 1,250</u></u>
6751 Telephone-cellular	<u><u>\$ 11,000</u></u>
6752 Telephone-local	<u><u>\$ 8,650</u></u>
6753 Telephone-long distance	<u><u>\$ 320</u></u>
6754 Telephone-pagers (\$143/yr x 3)	<u><u>\$ 450</u></u>
6800 Travel & transportation	
Amounts include an estimate of \$600/trip airfare, Lodging of \$130/night and M&I of \$40/day.	
Other conferences (5n) (2ee) (\$600,\$1400,\$400)	<u><u>2,400</u></u>
6850 Utilities	
Water (8 meters)	7,150
Sewer (5 meters)	7,150
Total utilities	<u><u>\$ 14,300</u></u>
6900 Vehicle maintenance	
Outside contractual maintenance services for departmental vehicles.	
Brake rotors turned	
Hydraulic pumps/motors/valves/cylinders rebuilt	
Specialty fabrication/machine work	
Front end alignments	
Split-rim tire repairs	
Total vehicle maintenance	<u><u>\$ 10,000</u></u>
6950 Waste removal	
Biohazard	1,950
Debris and extra dumpster pick-ups	5,250
Environmental	1,400
Used parts/oil/fuel filters	2,100
Other	700
Total waste removal	<u><u>\$ 11,400</u></u>
COMMODITIES	
7100 Building repair	
Materials used in connection with the maintenance of all Authority owned building not covered by tenant leases.	<u><u>\$ 32,140</u></u>

7140	Conferences & meetings	
	Water rental and delivery	1,300
	Meals for snow removal crews	1,900
	Total conferences & meetings	<u>\$ 3,200</u>
7200	Equipment	
	Computers (1 @ \$1,000)	1,000
	2 Ton jack	600
	(2) 30" vacuums cleaners (terminal/operations)	1,200
	Other (hand tools/rakes/shovels/small power tools)	4,000
	Total equipment	<u>\$ 6,800</u>
7240	Fence/gate - perimeter fence and gate supplies	<u>\$ 2,600</u>
7271	Fuel-diesel - 25,000g @ 1.308/g	<u>\$ 27,500</u>
7272	Fuel-unleaded - 15,000g @ 1.50/g	<u>\$ 22,500</u>
7273	Fuel-other	<u>\$ 400</u>
7300	Landscaping	
	Supplies associated with turf maintenance of all Authority grounds not covered in tenant lease.	<u>\$ 8,000</u>
7380	Other - Costs of commodities not itemized in other accounts.	<u>\$ 750</u>
7400	Pavement marking	
	High visibility marking paint	17,000
	Glass sphere beads	5,000
	Other	3,000
	Total pavement marking	<u>\$ 25,000</u>
7440	Pavement repair	
	Includes joint sealer, primers, asphalt, stone, backing rod, rubber seals and other materials directly associated with pavement repair.	<u>\$ 7,000</u>
7500	Raw materials	
	Sand	1,700
	Gravel	500
	Total raw materials	<u>\$ 2,200</u>
7501	Raw materials-deicing only	
	Potassium acetate	119,040
	Road salt	9,120
	Urea	73,200
	Sidewalk ice melt	5,520
	Total raw materials-deicing only	<u>\$ 206,880</u>
7540	Signage	
	Repair & replacement of signage for buildings, infield roadways and airfield directional inserts.	<u>\$ 5,500</u>
7580	Software	
	Includes upgrades to maintenance related software.	<u>\$ 1,000</u>
7600	Subscriptions	
	Weather reporting system	1,500
	Email subscription \$30/group/monthly	360
	Rockford Register Star	200
	Other	400

	Total subscriptions	<u>\$ 2,460</u>
7660	Supplies-janitorial	
	Roll towels	1,700
	Toilet paper	2,600
	Hand towels	-
	Cleaners	9,400
	Strippers/waxes	500
	Mop heads/brushes/brooms/bags/etc	1,100
	Total supplies-janitorial	<u>\$ 15,300</u>
7690	Supplies-lighting/electrical (airside)	
	Repair and replacement of existing runway, taxiway, and apron lighting systems.	<u>\$ 42,000</u>
7720	Supplies-snow removal wafers/poly-steel blades	
	Snow removal supplies were recorded as equipment and have been reclassified as supplies because of the disposable nature of the supplies.	<u>\$ 36,400</u>
7780	Supplies-other	
	Not itemized in other accounts.	<u>\$ 4,000</u>
7782	Supplies-hardware (expendable supplies)	<u>\$ 6,400</u>
7830	Supplies-steel stock	<u>\$ 2,100</u>
7850	Supplies-storm sewer/drain	
	Drain tile, culverts, flares, storm drain covers, plates and other replacement items and emergency repair of airport infrastructure.	<u>\$ 1,000</u>
7880	Supplies-welding	<u>\$ 2,200</u>
7901	Maintenance-licensed vehicles	
	Supplies for approximately 15 vehicles.	<u>\$ 5,750</u>
7902	Maintenance-equipment	
	Supplies for repair of Authority equipment.	<u>\$ 55,000</u>
OTHER		
8400	Glycol retention treatment facility	
	Electric	59,000
	Testing	5,200
	Equipment service and repairs	2,400
	Chemicals	15,300
	Consulting	1,000
	Supplies	3,350
	Equipment (non-capital)	1,850
	Total glycol retention treatment facility	<u>\$ 88,100</u>
8410	Landfill environmental costs - legal and engineering costs	<u>\$ 187,000</u>

Operations Department Summary

The Airport Operations Department ensures that the airport is operating safely and efficiently. It is directly responsible for the safe, efficient and effective operation of a wide cross section of the Airport's facilities, ranging from the Terminal to the airfield, and accomplishes this by meeting or exceeding the requirements imposed for each area by Federal, State, and Local laws, rules, and regulations.

FYE05 Goals and Objectives

1. Support airline, air cargo, corporate and general aviation aircraft operators.
2. Provide coordination with public safety agencies.
3. Ensure airfield is operating at peak efficiency.
4. Ensure terminal is clean and operating effectively.

Operations Department Budget

CODE/LINE ITEM, Department 06	ACTUAL FYE 01	ACTUAL FYE 02	ACTUAL FYE 03	BUDGET FYE 04	ESTIMATE FYE 04	BUDGET FYE 05
PERSONNEL SERVICES						
5400 Insurance	\$ 75,000	\$ 60,563	\$ 59,740	\$ 66,750	\$ 59,093	\$ 17,039
5450 Overtime	131,367	39,520	75,119	67,500	34,084	-
5500 Payroll taxes	53,830	40,837	34,271	38,911	23,330	11,606
5560 Pension contribution	50,071	24,729	26,556	38,156	28,262	17,436
5600 Salaries/wages	635,732	453,685	360,432	390,556	313,881	138,383
5750 Training	6,645	8,371	11,703	28,350	11,588	2,250
5800 Workers compensation insurance	-	-	-	-	-	8,517
5900 Uniforms	8,542	8,543	4,043	3,978	2,858	-
5901 Uniforms-lost,damaged,replaced	-	-	2,879	200	-	-
5903 Uniforms-other	-	-	539	1,972	-	-
TOTAL PERSONNEL SERVICES	961,187	636,248	575,283	636,373	473,096	195,231
CONTRACTUAL SERVICES						
6161 ARFF contractual services	-	-	-	-	-	650,000
6162 ARFF training	-	-	-	-	-	16,100
6320 Equipment maintenance	11,755	3,177	-	-	-	-
6321 Equip maint-repairs/services	-	-	1,622	4,000	1,243	10,536
6322 Equip maint-service contracts	-	-	339	16,000	193	-
6480 Licenses, inspections & testing	2,111	787	1,457	6,700	793	1,500
6510 Medical exams	2,517	2,224	1,782	3,500	419	500
6540 Membership dues	1,353	1,095	125	450	167	375
6600 Other	9	832	876	200	1,453	1,000
6730 Printing	135	5	-	500	-	-
6751 Telephone-cellular	-	915	1,936	2,382	2,515	1,500
6752 Telephone-local	-	2,287	2,200	3,100	1,222	1,500
6753 Telephone-long distance	-	666	207	500	228	220
6754 Telephone-pagers	-	998	307	-	191	-
6800 Travel & transportation	1,851	3,294	3	13,910	4,489	2,250
6900 Vehicle maintenance	1,295	12,368	94	8,000	-	-
TOTAL CONTRACTUAL SERVICES	21,026	28,648	10,949	59,242	12,911	685,481
COMMODITIES						
7140 Conferences & meetings	1,428	99	74	500	66	500
7200 Equipment	2,360	6,231	5,026	4,986	3,404	26,300
7380 Other	102	1,230	48	1,000	-	1,000
7580 Software	-	-	-	5,000	-	5,000
7600 Subscriptions	1,083	1,631	1,499	1,300	2,454	1,075
7750 Supplies-office	412	470	908	1,500	904	700
7810 Supplies-specialty	62	70	104	1,540	-	1,540
7900 Vehicle maintenance	1,530	-	230	1,000	-	-
7901 Maint-licensed vehicles	-	125	520	3,500	75	-
7902 Maint-equipment	-	1,771	3,982	3,500	3,673	-
TOTAL COMMODITIES	6,977	11,628	12,390	23,826	10,575	36,115
DEPARTMENT TOTAL	\$ 989,190	\$ 676,524	\$ 598,622	\$ 719,441	\$ 496,583	\$ 916,827

Operations Department Justifications

PERSONNEL SERVICES

5400 Insurance

Health, dental and life insurance costs for employees.

Health insurance

The annual cost for the Authority of 80% is as follows by each type of coverage:

Employee = \$3,816

Employee + Spouse = \$7,505

Employee + Children = \$6,757

Family = \$10,447

Dental insurance

Monthly administration fee of \$4.85 per employee plus estimated actual costs. The dental insurance is self funded.

Life insurance

Life and AD&D insurance is provided to current employees. The benefit is 2.5 times an employee's base salary with life at \$.21/\$1000 and AD&D at \$.05/\$1000.

Health	14,975
Dental	984
Life	1,080
Total employee insurance	\$ 17,039

5500 Payroll taxes

FICA - 6.2% of base wage up to \$87,900	8,580
Medicare - 1.45% of base wage	2,007
State unemployment - 5.2% of the first \$9,800	1,019
Total payroll taxes	\$ 11,606

5560 Pension contribution

IMRF pension fund - 12.6%	\$ 17,436
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5600 Salaries

Includes 2 full time employee.	\$ 138,383
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5750 Training

Airport security coordinator	300
Miscellaneous local classes	0
Other	650
Security system training	1,300
Total training	\$ 2,250

5800 Workers compensation insurance

	\$ 8,517
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CONTRACTUAL SERVICES

6061 ARFF contractual services

Contract with the City of Rockford for all ARFF services.	\$ 650,000
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6062 ARFF training	Training for City of Rockford fire department employees for airport ARFF procedures.	
	Disaster exercise	1,000
	Annual live burn training, simulator & fuel	10,000
	Training equipment, CDs	3,000
	ARFF training	1,600
	Other	500
	Total ARFF training	<u>\$ 16,100</u>
6321 Equipment maintenance-repairs/services	Repairs and service contracts of Authority equipment.	
	Computers	2,500
	Scan system for Rwy/Twy	7,786
	Vehicle light bar Z60 (convert lights to all yellow)	250
	Total equipment maintenance - repairs/services	<u>\$ 10,536</u>
6480 Licenses, inspections & testing	Annual inspection and testing services.	
	Fire extinguishing test	<u>\$ 1,500</u>
6510 Medical exams (post accident, preemployment, random drug test)		<u>\$ 500</u>
6540 Membership dues	AAAE	225
	Aircraft rescue & fire	125
	Great lakes chapter AAAE	25
	Total membership dues	<u>\$ 375</u>
6600 Other - Contractual costs not itemized in other accounts.		<u>\$ 1,000</u>
6751 Telephone-cellular		<u>\$ 1,500</u>
6752 Telephone-local		<u>\$ 1,500</u>
6753 Telephone-long distance		<u>\$ 220</u>
6800 Travel & transportation	Airport security coordinator	250
	ARFF training	1,500
	Other (In) (travel, lodge, meals)	0
	Security system training (travel, lodge, meals)	500
	Total travel & transportation	<u>\$ 2,250</u>
COMMODITIES		
7140 Conferences & meetings		<u>\$ 500</u>

7200 Equipment	
Bunker gear (6 @ 1,400)	8,400
ID camera replacement	1,000
Defibrillator (2 machines placed in terminal)	5,000
Furniture	500
Computers (1 @ \$1,000)	1,000
Tools - hand	4,000
Tools - appliances (valves, nozzles)	3,000
Hose	1,500
Hardware	500
Battery replacement	300
Digital camera	300
Vehicle lights Z60 (flood lights)	200
Wildlife (cracker shells, live shot)	300
Wildlife (misc)	300
Total equipment	<u>\$ 26,300</u>
7380 Other - Commodities not itemized in other accounts	<u>\$ 1,000</u>
7580 Software upgrades for current security systems.	<u>\$ 5,000</u>
7600 Subscriptions	
West group	75
Weather reporting service -annual subscription	1,000
Total subscriptions	<u>\$ 1,075</u>
7750 Supplies-office - badges etc.	<u>\$ 700</u>
7810 Supplies-specialty	
Foam (110 gal. @ \$14/gal)	<u>\$ 1,540</u>

Air Service Development Department Summary

The Air Service Development Department promotes domestic and international air service for scheduled airlines, air charters and air cargo. The plan of the department and the Authority is to develop and grow air service in the following sectors: scheduled airline, air charter, and air cargo; both domestic and international. The department is in the infant stage of its growth. The department will identify opportunities in all three sectors of air service. The terminal facility of the Greater Rockford Airport will be maximized with greater utilization of cargo, air charter, and scheduled air services.

FYE05 Goals

1. Meet with six low-cost carriers to secure new service.
2. Work with Federal Inspection Service (FIS) to secure Immigration and Naturalization Service (INS) for the International business.
3. Network with corporate leaders regarding their company's travel needs and habits.
4. Network with the travel agency community for the support of air service.
5. Work to secure additional cargo operators through meetings, association, and freight forwarders.
6. Develop a marketing plan for the region in support of new air service.

Air Service Development Department Budget

CODE/LINE ITEM, Department 07	ACTUAL FYE03 (9 1/2 mos.)	BUDGET FYE04	ESTIMATE FYE04	BUDGET FYE05
PERSONNEL SERVICES				
5400 Insurance	\$ 7,017	\$ 9,833	\$ 10,100	\$ 12,400
5500 Payroll taxes	3,503	5,496	7,527	7,260
5560 Pension contribution	2,743	5,563	8,567	11,299
5600 Salaries/wages	48,754	66,780	87,990	89,675
5750 Training	875	1,550	1,017	850
5800 Workers compensation insurance	-	-	-	637
TOTAL PERSONNEL SERVICES	62,892	89,222	115,201	122,121
CONTRACTUAL SERVICES				
6020 Advertising	-	30,000	26,829	350,000
6120 Charter program	-	150,000	-	-
6121 Advertising program	-	250,000	586,572	30,000
6140 Conferences & meetings	725	6,450	4,021	8,195
6160 Consulting services	-	1,200	1,697	27,750
6510 Medical exams	22	-	-	-
6540 Membership dues	180	600	273	785
6600 Other	-	-	692	1,000
6700 Postage	-	5,550	3,542	5,550
6730 Printing	-	7,575	824	16,075
6750 Telephone	-	-	-	-
6751 Telephone-cellular	579	720	1,120	1,500
6752 Telephone-local	586	1,000	2,241	2,200
6753 Telephone-long distance	447	1,800	814	900
6800 Travel & transportation	5,457	8,580	10,440	13,500
TOTAL CONTRACTUAL SERVICES	7,996	463,475	639,066	457,455
COMMODITIES				
7140 Conferences & meetings	412	500	80	6,000
7200 Equipment	3,219	200	945	-
7380 Other	36	-	-	1,000
7600 Subscriptions	27	-	1,467	60
7750 Supplies-office	1,473	-	-	250
7796 Supplies-promotional	-	30,000	42,568	25,000
TOTAL COMMODITIES	5,167	30,700	45,059	32,310
DEPARTMENT TOTAL	\$ 76,055	\$ 583,397	\$ 799,326	\$ 611,886

Air Service Development Department Justifications

5400 Insurance

Health, dental and life insurance costs for employees.

Health insurance

The annual cost for the Authority of 80% is as follows by each type of coverage:

Employee = \$3,816

Employee + Spouse = \$7,505

Employee + Children = \$6,757

Family = \$10,447

Dental insurance

Monthly administration fee of \$4.85 per employee plus estimated actual costs. The dental insurance is self funded.

Life insurance

Life and AD&D insurance is provided to current employees. The benefit is 2.5 times an employee's base salary with life at \$.21/\$1000 and AD&D at \$.05/\$1000.

Health	10,969
Dental	733
Life	699
Total employee insurance	\$ 12,400

5500 Payroll Taxes

FICA - 6.2% of base wage up to \$87,900	5,450
Medicare - 1.45% of base wage	1,300
State unemployment - 5.2% of the first \$9,800	510
Total payroll taxes	\$ 7,260

5560 Pension contribution

IMRF pension fund - 12.6%	\$ 11,299
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5600 Salaries

Includes 1 full time employee.	\$ 89,675
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5750 Training

Website maintenance/design	\$ 850
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5800 Workers compensation insurance

	\$ 637
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CONTRACTUAL SERVICES

6020 Advertising

Advertising associated with airline, charter and/or cargo service promotion.

Television	65,000
Radio	100,000
Billboards	95,000
Direct	30,000
Promotions	20,000
Print	40,000
Total advertising	\$ 350,000

6121 Advertising program	
"Miles Ahead" program	<u>\$ 30,000</u>
6140 Conferences & meetings	
AAAЕ Annual conference	500
AAAЕ Great Lakes Chapter Annual conference	700
AAAЕ National Air Service conference	500
ACI-NA Air Service conference	750
Boyd conference	0
Routes-The World Route Development Forum	995
Other	0
Lunch meetings, corporate (5 @ \$20/person/mo)	1,200
Lunch meetings, other	250
Lunch meetings with visiting airlines & leaders	1,000
Travel agent educational receptions (2 @ \$900)	1,800
Corporate Travel (CTA) education luncheon	500
Total conferences & meetings	<u>\$ 8,195</u>
6160 Consulting services	
Consulting services for marketing development.	
Airline presentation statistical data	4,500
Website update & production	2,500
Ad designer/consultant	10,000
Photography services	1,250
Design Firm/Marketing production	9,500
Total consulting services	<u>\$ 27,750</u>
6540 Membership dues	
American Association of Airport Executives (AAAЕ)	225
Corporate Travel Association (CTA)	100
Great Lakes Chapter AAAЕ	25
International Air Cargo Assoc. of Chicago (IACAC)	135
Other	300
Total membership dues	<u>\$ 785</u>
6600 Other - Contractual services not itemized in other accounts.	<u>\$ 1,000</u>
6700 Postage	
Mailings, travel agents & charter (15,000 x\$.37)	<u>\$ 5,550</u>
6730 Printing	
Brochures, reprints (450 @ \$3.50)	1,575
Printing, enlarging	7,500
Photographs	2,500
Presentations (6 @ \$500)	3,000
Other	1,500
Total printing	<u>\$ 16,075</u>
6751 Telephone-cellular	<u>\$ 1,500</u>

6752 Telephone-local	1,920
Remote internet connection	<u>280</u>
Total telephone-local	<u>\$ 2,200</u>
6753 Telephone-long distance	<u>\$ 900</u>
6800 Travel & transportation	
Amounts include an estimate of \$600/trip airfare, Lodging of \$140/night and M&I of \$40/day.	
Airline recruitment (4 meetings)	3,840
AAAE Annual conference	1,580
Great Lakes Chapter AAAE	1,335
AAAE National Air Service conference	1,580
ACI-NA Air Service conference	1,580
Boyd conference	0
Routes-The World Route Development Forum	2,160
Other	500
Mileage (2,500 @ \$.37/mi)	<u>925</u>
Total travel & transportation	<u>\$ 13,500</u>
COMMODITIES	
7140 Conferences & meetings	
In-house luncheon meetings	1,000
Employee appreciation	1,000
Local sponsorship (Winter Rocks, Chamber of Commerce, On The Waterfront)	<u>4,000</u>
Total conferences & meetings	<u>\$ 6,000</u>
7380 Other - Commodities not itemized in other accounts.	<u>\$ 1,000</u>
7600 Subscriptions	
Email hosting service \$5/month	<u>\$ 60</u>
7750 Supplies-office	
Shipping-UPS	<u>\$ 250</u>
7796 Supplies-promotional	
Promotional items endorsing airport awareness (shirts, hats, pens, coasters, lanyards, coloring books, etc)	<u>\$ 25,000</u>

Non-Operating Revenues and Expenses Budget

CODE/LINE ITEM	ACTUAL FYE01	ACTUAL FYE02	ACTUAL FYE03	BUDGET FYE04	ESTIMATE FYE04	BUDGET FYE05
NON-OPERATING REVENUE						
9000 Annexation agreement	\$ 160,916	\$ 130,417	\$ 130,214	\$ 130,000	\$ 127,975	\$ 125,000
9100 Interest income	415,286	200,728	123,094	100,000	91,616	100,000
9200 Taxes-property (operating levy)	2,359,753	2,304,120	2,379,440	2,440,333	2,420,881	2,818,231
9205 Property tax interest (operating levy)	2,948	1,428	1,700	2,000	1,200	1,500
9210 Taxes-property (debt service levy)	5,483,346	5,598,610	5,683,178	6,005,452	5,946,019	6,297,163
9215 Property tax interest (debt service levy)	6,851	3,469	4,061	4,000	3,000	3,000
9250 Taxes-corporate replacement	470,280	335,141	319,193	330,000	308,055	300,000
TOTAL REVENUE	8,899,380	8,573,912	8,640,880	9,011,785	8,898,746	9,644,894
NON-OPERATING EXPENSES						
9500 Interest expense	2,198,999	1,744,834	1,241,663	1,305,211	1,123,443	862,116
9600 Property taxes	129,198	(79,107)	57,137	56,000	51,383	73,472
TOTAL EXPENSES	2,328,197	1,665,727	1,298,800	1,361,211	1,174,826	935,588
NET TOTAL	\$ 6,571,183	\$ 6,908,185	\$ 7,342,080	\$ 7,650,574	\$ 7,723,920	\$ 8,709,306
OTHER CAPITAL CONTRIBUTIONS						
9270 Passenger facility charges	79,109	4,374	6,190	4,000	89,382	206,400
9260 Funds from auctioned equipment	-	7,356	47,787	5,000	5,000	5,000
TOTAL CONTRIBUTIONS	\$ 79,109	\$ 11,730	\$ 53,977	\$ 9,000	\$ 94,382	\$ 211,400

Non-Operating Revenue and Expenses Budget Justifications

NON-OPERATING REVENUE

9000 Annexation agreement

The Annexation Agreement (section 7.3D) dated 2 April 1991 by and between the City of Rockford and the Greater Rockford Airport Authority, stipulates the City shall pay to the Authority 30 percent of the real property taxes levied by the City upon the Authority.

\$ 125,000

9100 Interest income

Interest earned on all bank deposits and investments.

\$ 100,000

9200 Taxes-property (operating levy)

FYE03 Tax Levy Ordinance 03-06 (operating levy).

\$ 2,818,231

9205 Property tax interest (operating levy)

Interest received on the operating tax levy.

\$ 1,500

9210 Taxes-property (debt service levy)

Per Bond Levy Schedules via Ordinances.

\$ 6,297,163

9215 Property tax interest (debt service levy)

Interest received on the debt tax levy.

\$ 3,000

9250 Taxes-corporate replacement

Budgeted Personal Property Replacement Tax (PPRT) revenue received from the Illinois Department of Revenue.

\$ 300,000

NON-OPERATING EXPENSES

9500 Interest expense

Budgeted interest expense is itemized as follows:

General Obligation Bonds

832,164

Revenue Bond (\$576,000 @ 5.2% for 12 months)

29,952

Total interest expense

\$ 862,116

9600 Property taxes

Property taxes paid for Authority owned properties including land and improvements.

\$ 73,472

OTHER CAPITAL CONTRIBUTIONS

9270 Passenger facility charges

Projected FY2005 passengers enplanements

70,685

Passenger facility charge (\$3 less expenses)

\$ 2.92

\$ 206,400

9260 Funds from auctioned equipment

\$ 5,000

Capital Budget

Capital Improvements	
Restroom fixture refurbishment/Fixtures/Faucets/Sinks/Stalls/Plumbing - Terminal Building	\$65,000
Vestibules/Automatic Doors - Outdated parts, safety issue - Terminal Building	30,000
Roof repair/East Section - Terminal Building	15,000
Exterior Doors/Locks/Hinges/Weather Seals - Terminal Building	14,000
Exterior /Perimeter Security Fencing	15,000
Lounge Furnishings/Child Area/Work Area - Terminal Building	7,000
Capital Improvements	<u>\$146,000</u>
Capital Outlay	
File Server - Upgrade - (replace PowerEdge 2300 five years old)	\$13,000
Computer Hardware/Software Upgrades - For replacements and new software needs	\$6,000
Blade Sharpener	\$3,500
Oscilloscope	\$3,550
SUV 4-dr Utility	\$30,000
Printers replacements 4 desk tops, and 2 high output group printers	\$8,100
Bench top Lathe	\$6,000
ProLink Diag Cartridge	\$4,000
Diag Cartridge	\$3,100
Flight Tracking Software - (Currently done manually)	\$3,000
32 Volt Rack System /Charger	\$3,000
Broom Attachment	\$4,400
Rock-hound	\$6,000
Gas powered portable pressure washer	\$2,000
Office Equipment	\$2,000
Capital Outlay	<u>\$97,650</u>
Glycol Improvements	
TTS Tester	\$4,000
BOD Tester	\$4,000
Flow Meter	\$5,000
Two Splash Aerators	\$50,000
Glycol Improvements	<u>\$63,000</u>
Grant Service	
SRE Building - Completion - Remaining Dollars to be spent.	\$100,000
Construction Site work for Snow Removal Building and Rehab East Quadrant Auto Parking	\$126,000
TSA 1542 & Related Terminal Security Enhancements	\$30,000
Expand Terminal Auto Parking	\$250,000
ALP Update/GIS Phase 3	\$25,000
Grant Service	<u>\$531,000</u>
Total Capital Expenditures	<u>\$837,650</u>

Exhibit 1
Tentative Budget and Appropriation Ordinance

GREATER ROCKFORD AIRPORT AUTHORITY

RESOLUTION NO. 04-11

WHEREAS, the Greater Rockford Airport Authority (the "Authority") is a municipal corporation located in Winnebago County, Illinois, duly created, organized, and existing under an Act of the General Assembly of the State of Illinois entitled the "Airport Authority's Act," as amended, 70 ILCS 5, et. seq., and having the powers, objects, and purposes provided under said Act;

WHEREAS, in accordance with 50 ILCS 330/3, the Authority is required to adopt a Tentative Budget and Appropriation Ordinance for the fiscal year, beginning May 1, 2004 and ending April 30, 2005;

WHEREAS, in accordance with 50 ILCS 330/3, the Authority is required to place on file at the Administrative offices of the Authority for public inspection a copy of the Tentative Budget and Appropriation Ordinance; and

WHEREAS, in accordance with 50 ILCS 330/3, 35 ILCS 200/18-50, and 35 ILCS 200/23-35, the Authority is required to call for a public hearing on the Tentative Budget and Appropriation Ordinance, and publish notice of said public hearing.

NOW, THEREFORE, be it resolved by the Chairman and the Board of Commissioners at the Authority, Winnebago County, State of Illinois, that:

1. The Authority hereby adopts the Tentative Budget and Appropriation Ordinance for the fiscal year, beginning May 1, 2004 and ending April 30, 2005 a copy of which is on file at the Administrative Offices of the Authority;
2. The Authority hereby directs its staff to place on file at the Administrative Offices of the Authority for public inspection a copy of the Tentative Budget and Appropriation Ordinance for the fiscal year, beginning May 1, 2004 and ending April 30, 2005 a copy of which shall be placed on file at least thirty (30) days prior to the date set by the Authority for the public hearing;
3. The Authority hereby directs its staff to call for and hold a public hearing on the Tentative Budget and Appropriation Ordinance on April 22, 2004 at 5:25 p.m. at the Administrative Offices of the Authority;
4. The Authority hereby directs its staff to publish in a newspaper of general circulation notice of the public hearing on the Tentative Budget and Appropriation Ordinance, provided that said notice shall be published at least thirty (30) days prior to the date set by the Authority for the public hearing.

Tentative Budget and Appropriation Ordinance

RESOLUTION NO. 04-11

5. The Authority's staff is hereby authorized and directed to take any additional actions necessary to effectuate the above Resolution in accordance with applicable Illinois statutory law.

Commissioner Dunn moved, seconded by Commissioner Telling that Resolution Number 04-11 be adopted.

	<u>Vote</u>		<u>Vote</u>
Eugene H. Allen	<u>Y</u>	Mary P. Gorman	<u>Y</u>
Nicholas Ancona	<u>Y</u>	Gwyn Gulley	<u>A</u>
Bradley O. Bennett	<u>Y</u>	Edward R. Telling III	<u>Y</u>
Michael P. Dunn	<u>Y</u>		

ADOPTED this 10th day of March, 2004 by the Chairman and the Board of Commissioners of the Greater Rockford Airport Authority, Winnebago County, Illinois.

(signed 10 March 2004)

 NICHOLAS ANCONA, Chairman

ATTEST:

(signed 10 March 2004)

 Edward R. Telling, III, Treasurer

Exhibit 2Tentative Rates & Charges (Ordinance No. 04-02)

- ◆ Landing Fees (Tentative – Ordinance No. 04-03)
 - \$1.964/1,000 lbs. Landed Weight less than 120,000,000 Annual Landed Weight
 - \$1.641/1,000 lbs. Landed Weight greater than 120,000,000 Annual Landed Weight
 - Minimum \$10.00

- ◆ Fuel Permits (annual)/Flowage Fees (Tentative – Ordinance No. 04-04)
 - Class A, \$1,125.00, \$.06/gallon
 - Class B, \$600.00, \$.08/gallon
 - Class C, \$375.00, \$.08/gallon

- ◆ Airline Related Fees
 - Counter rental – per event \$50
 - Jetway bridge - per connection \$100
 - Luggage conveyor – inbound \$25
 - Luggage conveyor – outbound \$25

- ◆ Permits
 - Vehicle Airfield Access \$10

- ◆ Badge and Gate Card Fees
 - Security Identification Display Area badge (includes fingerprinting fees) \$45
 - NON - Security Identification Display Area badge \$20
 - Temporary construction badge \$20
 - Gate card/identification \$20
 - Replacement badge/gate card \$20
 - Lost/stolen/failed to return badge/gate card \$20

- ◆ Premise Keys
 - Lost – entire cost to re-key all locks operated by that key at user expense -
 - T-Hangar door - each \$10

- ◆ Quarry Tipping Fee – per ton \$1.25

- ◆ Maintenance Fees (snow removal)
 - Apron \$70/event
 - Parking Lot \$70/event
 - Deicing \$140/application
 - Sand \$110/application
 - Road Salt \$120/application

- ◆ Auditorium & Classrooms:
 - Tenants \$10/hour
 - Others \$20/hour
 - Governmental entities \$0

Exhibit 2(con't)
Tentative Rates & Charges (Ordinance No. 04-02)

- ◆ T-Hangars

\$192/mo.	1,071 sq.ft.	\$2.15 sq.ft./yr.	18 Units
\$220/mo.	1,228 sq.ft.	2.15 sq.ft./yr.	3 Units
\$258/mo.	1,440 sq.ft.	2.15 sq.ft./yr.	3 Units
\$279/mo.	1,449 sq.ft.	2.31 sq.ft./yr.	6 Units
\$325/mo.	1,656 sq.ft.	2.36 sq.ft./yr.	2 Units
\$371/mo.	1,944 sq.ft.	2.29 sq.ft./yr.	2 Units

- ◆ Property Leases

Aviation Lease – Building	Market Rent, \$3.60/sq.ft.
Aviation Lease – Land	Market Rent, \$0.36/sq.ft.
Industrial Lease – Building	Market Rent, \$3.35/sq.ft.
Industrial Lease – Land	Market Rent, \$0.20/sq.ft.
Office Space	Market Rent, \$16.41/sq.ft.

- ◆ Commercial Operating Permit

\$0.25/sq.ft. – effective November 1, 2004	\$0.27/sq.ft.
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Exhibit 3
Acronym and Glossary of Terms

AAAE	American Association of Airport Executives
ACI-NA	Airports Council International – North America
AD&D	Accidental Death and Dismemberment
AFR	Annual Financial Report
ALP	Airport Layout Plan
ARFF	Airport Rescue Fire Fighting
BOD	Biochemical Oxygen Demand
CPE	Continuing Professional Education
CPI-W	Consumer Price Index – Urban Wage Earners & Clerical Workers
FAA	Federal Aviation Administration
FAS	Fixed Asset Schedules
FIS	Federal Inspection Service
FTZ	Foreign Trade Zone
GFOA	Government Finance Officers Association
GO	General Obligation (Bonds)
GRAA	Greater Rockford Airport Authority
ILS	Instrument Landing System
IMRF	Illinois Municipal Retirement Fund, retirement fund for all Authority employees
INS	Immigration and Naturalization Service
IPAA	Illinois Public Airports Association
M&I	Meals and Incidentals
NAC	National Airports Conference
OTC/DDEC	Oshkosh Training Center/Diesel Diagnostic Electronic Components
PEBSCO	Public Employees Benefit Services Corporation, optional 457 deferred compensation
PFC	Passenger Facility Charge, charge per enplaned passenger (\$3)
SIDA	Security Identification Display Area
SRE	Snow Removal Equipment
TSA	Transportation Security Administration
TSS	Total Suspended Solids
UPS	United Parcel Service
Airport Operation	One landing or takeoff
Capital Budget	Budgeted expenditures for capital improvements, capital outlay, debt service and grant service that are in excess of \$2,000
Infrastructure	Airport runways, taxiways, aprons and utility systems
Part 139	Federal regulation governing air taxi operations
PFC's	A \$3 charge per enplanement received by the Authority

Exhibit 4
Statistics

Airport Authority Area	Located entirely within Winnebago County, Illinois, the Authority Area includes, Rockford, Machesney Park, Loves Park, Cherry Valley, Roscoe, New Milford and some unincorporated areas
Airport Location	Southwest quadrant of the City of Rockford 80 miles WNW of O'Hare International Airport
Access	Interstate 90 and 39 U.S. Highway 20 Illinois Route 2 and 251
Runways	Runway 1/19, 8,200' X 150', ILS Category I Runway 7/25, 10,000' x 1150', ILS Category II/III
Scheduled Passenger Service	Transmeridian Airlines
Car Rental Agencies	Avis, Hertz and National/Alamo
Service Area	Population within Authority Area, 227,773 Population within 25 miles, 740,000 Population within 60-minute drive, 2.5 million Population within 90-minute drive, 8.4 million

Airport Authority Area Equalized Assessed Valuation	1996	\$2,227,611,556, 6.606 percent increase from previous year
	1997	\$2,335,169,903, 4.828 percent increase from previous year
	1998	\$2,418,627,232, 3.450 percent increase from previous year
	1999	\$2,448,209,950, 1.223 percent increase from previous year
	2000	\$2,515,586,828, 2.752 percent increase from previous year
	2001	\$2,643,547,712, 5.087 percent increase from previous year
	2002	\$2,754,387,629, 4.193 percent increase from previous year

Bond Rating	1999	A3
	2000	A2
	2001	A2
	2002	A2
	2003	A1

Based Aircraft	Single engine	54
	Multi engine	33
	Jet	15
	Helicopters	<u>2</u>
	Total	102

Airport Operations		<u>CY2001</u>	<u>CY2002</u>	<u>CY2003</u>
	Air Carrier	12,594	11,472	11,672
	Air Taxi	4,398	4,017	3,875
	GA Local	17,223	24,050	26,024
	GA Itinerant	38,349	39,895	35,463
	Military	<u>4,868</u>	<u>4,385</u>	<u>3,839</u>
	Total	77,432	83,819	80,873

ORDINANCE NO. 04-01

FISCAL YEAR 2005 BUDGET AND APPROPRIATION ORDINANCE

CERTIFICATE

I, NICHOLAS ANCONA, Chairman of the Board of Commissioners of the Greater Rockford Airport Authority, Winnebago County, Illinois (the "**Authority**"), a municipal corporation of the State of Illinois, certify that the attached is a true and complete copy of an Ordinance entitled:

**"GREATER ROCKFORD AIRPORT AUTHORITY BUDGET AND
APPROPRIATION ORDINANCE FOR THE FISCAL YEAR
BEGINNING May 1, 2004 AND ENDING April 30, 2005,"**

unanimously passed at a regular meeting of the Board of Commissioners (the "**Board**") of the Authority at which a quorum of the Board was present, and held at the offices of the Authority at 60 Airport Drive, Rockford, Illinois, on April 22, 2004 having complied with the provisions of the Open Meetings Act (5 ILCS 120/1 *et. seq.*).

I further certify that there have been no amendments or revisions to said Ordinance, and that it is now in full force and effect.

IN TESTIMONY WHEREOF, I have set my hand and affixed the corporate seal of the Authority this 22nd day of April 2004.

[SEAL]

(signed 22 April 2004)

Nicholas Ancona, Chairman
Greater Rockford Airport Authority

ORDINANCE NO. 04-01

**GREATER ROCKFORD AIRPORT AUTHORITY
BUDGET AND APPROPRIATION ORDINANCE**

**FOR THE FISCAL YEAR
BEGINNING May 1, 2004 AND ENDING April 30, 2005**

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE GREATER ROCKFORD AIRPORT AUTHORITY, WINNEBAGO COUNTY, ILLINOIS, AS FOLLOWS:

Section 1. Adoption of Budget

The Tentative Budget, as previously presented, is adopted as the Budget for the Greater Rockford Airport Authority, Winnebago County, Illinois, the "Authority," and is attached hereto and incorporated herein by reference.

The amounts specified are the maximum estimated for probable expenditure or commitment prior to April 30, 2005, and there is included in the appropriated amounts funds derived from other sources than local taxation, and which may be spent for the benefit of the Authority without actually being received and expended by it.

All unexpected balance of any item or items of any general appropriation made by this Ordinance may be expended in making up any deficiency in any item or items in the same general appropriation made by this Ordinance.

Placed on file for Public Inspection	March 18, 2004
Notice of Public Hearing Published on	March 18, 2004
Public Hearing held (at 5:25 p.m. Central Daylight Savings time, pursuant to Notice)	April 22, 2004

Section 2. Appropriations.

For the fiscal year ending April 30, 2005, there is hereby appropriated for the corporate purposes of the Greater Rockford Airport Authority the total sum of \$12,761,241, which sum of money is deemed necessary to pay the costs of operating and maintaining the Greater Rockford Airport, and other expenses of the Authority, the purposes of each such appropriation being specified in the attached Budget document.

Section 3. Filing with County Clerk.

That a certified copy of this Ordinance shall be filed with the County Clerk on or before May 21, 2004 by the financial officer of the Authority.

Section 4. Conflicting Orders, Resolutions or Ordinances.

That all orders, resolutions or ordinances in conflict herewith are repealed insofar as such conflict exists.

ORDINANCE NO. 04-01

2004-2005 BUDGET AND APPROPRIATION ORDINANCE

CERTIFICATE

I, EDWARD R. TELLING III, Treasurer of the Board of Commissioners of the Greater Rockford Airport Authority, Winnebago County, Illinois (the "**Authority**"), a municipal corporation of the State of Illinois, certify that I am Treasurer of the Board of Commissioners of the Authority and that attached is an estimate prepared by me for the revenues, by source, anticipated to be received by the Authority during such fiscal year of the Authority, pursuant to *50 ILCS 330/3*, as amended.

IN TESTIMONY WHEREOF, I have set my hand and affixed the corporate seal of the Authority this 22nd day of April, 2004.

[SEAL]

(signed 22 April 2004)
EDWARD R. TELLING, III Treasurer
Greater Rockford Airport Authority

**ESTIMATED REVENUES BY SOURCE
FISCAL YEAR 2005**

EXPECTED CASH FLOW DURING THE YEAR:

SOURCES

Operating Budget Revenue	\$ 4,002,730
Non-Operating Revenue	525,000
Tax Levy	9,119,894
AIP Fund Reimbursement	500,000
Passenger Facility Charges	206,400
Other Financing Sources	<u>5,000</u>
 Total Sources	 \$14,359,024
Beginning Fund Balance, FY04	<u>8,680,360</u>
 Total Sources and Fund Balance	 <u>\$23,039,384</u>

USES

Operating Expenditures	\$ 5,427,003
Non-Operating Expenditures	935,588
Debt Service	5,561,000
Capital Expenditures	<u>837,650</u>
 Total Uses	 \$12,761,241
Ending Fund Balance, FY05	<u>10,278,143</u>
 Total Uses and Ending Fund Balance	 <u>\$23,039,384</u>