

# **CITY OF NAPLES AIRPORT AUTHORITY**

**FISCAL YEAR 2019**

**OPERATING**

**AND**

**CAPITAL BUDGET**

**September 20, 2018**



**FISCAL YEAR 2019 BUDGET**

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## EXECUTIVE SUMMARY

The City of Naples Airport Authority (“Authority”) was created by State Enabling Legislation and City of Naples action in 1969. The City of Naples, recognizing the benefits of an authority-type management concept, established the Authority for the purpose of enhancing service to users, improving the community gateway image, eliminating financial subsidies by city taxpayers, and limiting the potential liabilities of operating an airport.

The Authority financially supports itself directly from aviation fuel sales and airport user fees and indirectly by airport user taxes. No local, state or federal general taxes, such as property, utility, sales, intangible or income taxes directly support the Authority. The Authority receives, for certain capital projects, state and federal financial grants from trust funds established largely from aviation fuel taxes and airline ticket taxes. The Authority pays the City of Naples for utility, police and fire fighting services and also built, equips and maintains City Fire Station #3, and storm water facilities that preserve and improve the environment. The Authority builds and maintains internal roadways and utilities and has constructed many of the external roadway improvements, including horticultural beautification and bicycle paths.

Although financial records of the Airport do not exist for the initial years, the Authority has operated in the black since its inception. Audited figures in 1973 showed the value of the Airport (assets minus liabilities) to be \$267,000 as compared to the 2017 audited value of \$85.4 million. The Florida Department of Transportation values the airport’s economic impact to the community at more than \$283 million annually.

The Operating and Capital Budget for FY 2019 maintains the same guarded optimism of FY 2018 that the national and local economy will maintain the gains made in recent years. Aircraft operations (an operation is one landing or one takeoff) increased; Jet A gallons pumped has seen an increase in FY 2018.

The Authority’s Operating Income for FY 2019 is projected to be \$2.3 million. The Budget reflects a Net Income of \$162,211 after depreciation expense of \$3.6 million.

The Five (5) Year Capital Improvement Plan includes, in FY 2019, \$5.6 million for the design and construction for the Airport Fire Station; \$2.7 million for the design and construction of Taxiway D; \$680,000 for the Master Plan update. The Airport Fire Station and Taxiway D projects are eligible for federal and/or state funding. The Authority’s capital improvement plan for FY 2019 – FY 2023 would direct \$59.3 million into the local economy.

The FY 2019 Capital Budget is organized into two (2) categories of capital projects. Participatory projects meet the eligibility requirements for funding assistance from outside agencies and require a level of matching funds from the Authority. Non-participatory projects are anticipated to be fully funded by the Authority.

The Operating and Capital Budgets for FY 2019 are summarized as follows:

<u>Operating Budget</u>		<u>Capital Budget</u>	
Operating Revenues	\$ 15,805,446	Capital - Participatory	\$ 10,330,000
Operating Expenses (1)	<u>\$ 13,514,275</u>	Capital - Non-Participatory	<u>\$ 16,747,000</u>
Operating Income	\$ 2,291,171	Total Capital Budget	\$ 27,077,000
Other Revenues (Expenses)	\$ 1,496,640	Outside Funding	\$ 5,769,000
Depreciation Expense	<u>\$ 3,625,600</u>	Irma Proceeds	<u>\$ 850,000</u>
Net Income (Loss)	<u>\$ 162,211</u>	NAA Funding	<u>\$ 20,458,000</u>

**(1) Includes projected Hurricane Irma Expenses \$923,186**

The FY 2019 budget maintains the reserves for capital contingencies and emergency operating contingencies at \$6.0 million. This is approximately one-half of the Authority’s budgeted operating expense for the year. The Authority Board and staff recognize the economic pressure on the country and the impact it has had on the aviation industry. Management will continue to monitor anticipated revenues carefully and be prepared to make any necessary cuts in expenses to maintain the positive revenue position projected in the budget.

The Authority’s intent is to continue to manage and operate the Naples Municipal Airport as a financially sound entity with an emphasis on safety for all, including the public. The Authority will continue to be a good neighbor, acting in the best interest of the Authority and the community.

## **HISTORICAL COMPARISONS**

The charts on page 4 depict aircraft operations, fuel sales in gallons and scheduled air service passenger activity for fiscal years 1992 through projected 2019.

### **COMPARISON OF AIRCRAFT OPERATIONS AND FUEL SALES IN GALLONS**

The peak year for total fuel sales, including flowage, was FY 2018 with over 7 million gallons sold. In FY 2010, total fuel sales were 4.5 million gallons, thirty-one percent (31%) lower than in FY 2007. Since then, there has been a general recovery in sales of Jet A fuel each year. Aviation gasoline (100LL) sales continued to decrease since FY 2007 but began a recovery in FY 2011 closing FY 2017 with 387,750 gallons sold. FY 2018 is projected to be the new record for fuel sales.

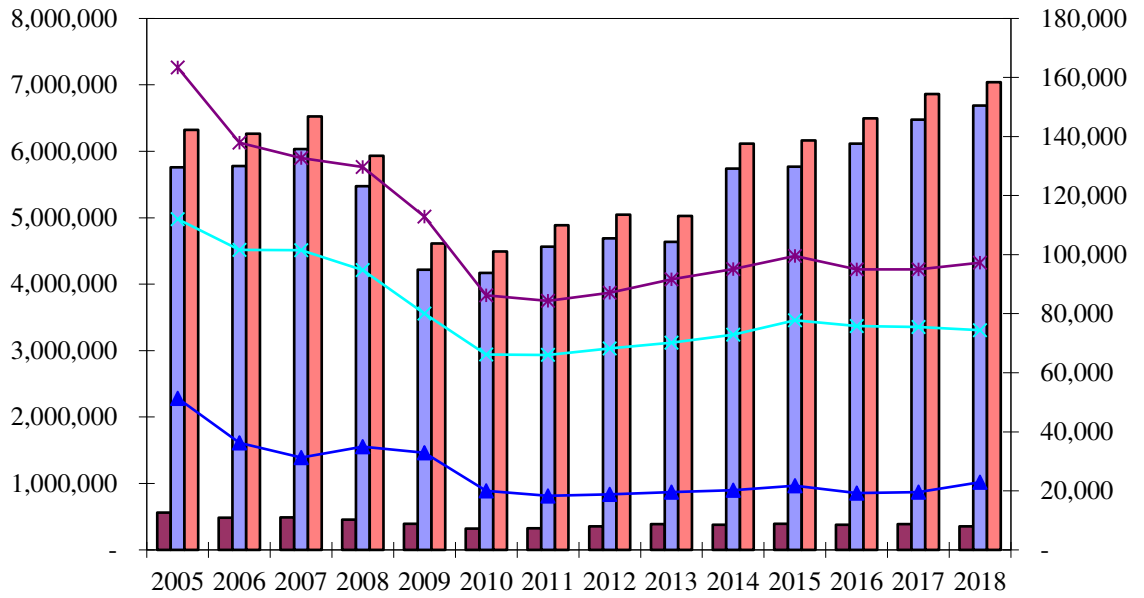
Aircraft operations during FY 2018 are trending to increase 22% over the FY 2017 level, with the greatest increase in VFR operations. The estimated total of operations for FY 2018 of 110,000 will be a decrease of 32.5% from the highest level of 163,400 operations in FY 2005. Total operations are assumed to increase by 10% in FY 2019.

### **COMPARISON OF SCHEDULED AIR SERVICE PASSENGER ACTIVITY**

Naples Municipal Airport provided scheduled commercial air service to the community starting in the 1980s and until 2007 was classified in the National Plan of Integrated Airport Systems (NPIAS) as a primary airport (a commercial service airport which enplanes 10,000 or more passengers each year). General aviation generates the majority of aircraft activity and Naples Municipal Airport is currently classified as a national general aviation airport in the NPIAS.

### Aviation Fuel Gallons & Aircraft Operations Historical Comparison FY 2005 - FY 2018

Aviation GallonsAircraft Operations



## **FY 2019 OPERATING BUDGET INFORMATION**

The FY 2019 operating budget was developed by conservatively projecting revenues and identifying the specific expenses anticipated for each department in order to achieve the strategic plan goals and objectives for the year ahead.

### **OPERATING REVENUES AND EXPENSES**

FY 2018 revenue estimates are based on the actual revenues from October 2017 through July of 2018 and estimated activity for August and September 2018 adjusted for current rates and charges and known changes in activity. FY 2019 fuel revenue projections are based on budgeted FY 2018 levels adjusted for anticipated changes in activity, in keeping with a conservative approach.

FY 2019 revenues from the users of the Airport (after cost of goods sold) are projected to total \$15.8 million, representing a budgeted decrease of \$258,570 from FY 2018 estimated actuals.

- Fuel sales remain the Authority's main source of revenue. Fuel prices are based on a cost plus formula in accordance with the published Rates and Charges set by the Executive Director. Net fuel revenue is projected to decrease by \$128,278 from \$10,139,769 the FY 2018 forecast to \$10,011,491 for FY 2019, which equates to 1% decrease. Aviation fuel programs for 100LL are projected to remain flat at the FY 2017 levels. Fuel sales from the Rental Car Wash Facility and aviation oil sales are also projected to remain at the FY 2018 Budgeted levels.
- Concession revenues are projected to decrease 36,441 or 5% from \$723,941 the FY 2018 estimate to \$687,500 for FY 2019.
- T-Hangar/T-shelter/Tie-down rents are projected to increase \$21,254 from \$2,562,737 the FY 2018 estimate to \$2,583,991 for FY 2019, which equates to 1% over the FY 2018 estimate. The Executive 3 and Executive A hangars have a 10 cent rate increase for FY 2019.
- Building and Land rents are projected to increase \$36,495 or 2.8% from FY 2018 budget of \$1,303,376 to \$1,339,871 in FY 2019.
- Line Services revenues are projected to increase \$27,463 or 3.8% (CPI 2.8% plus 1%) from FY 2018 budget of \$749,245 to \$750,163 in FY 2019.
- U.S. Customs user fees are budgeted to increase from FY2018 budget by \$91,330, a 28.5% increase as a result of increased clearings.
- Avfuel's co-op marketing revenues (reimbursement for specific communications and uniforms costs) are projected to be \$20,400. This an increase of \$400 from the FY 2018 budget.

FY 2019 operating expenses are projected at \$13.5 million, which represents an increase of \$1,740,806 or 14.8% from the FY 2018 estimated actuals.

- Personnel costs, including salaries and wages, related taxes, employee benefits, uniforms, training, travel and employee recognition programs are projected to increase \$1,119,231 from the FY 2018 estimate. A pay increase is included based on a CPI increase, merit, and some promotions. There are (12) new positions budgeted for FY 2019, which management will closely monitor activity to determine if/when to fill each of the 12 budgeted positions.
- Professional fees, including legal fees, audit services and other professional/consulting fees are projected to increase by \$99,971 from \$890,354 for FY 2018 to \$990,325 for FY 2019. Expenses related to audit services are projected to remain the same. Other professional services include consulting services for human resources, re-branding, noise abatement, finance system support, and security. Legal fees are projected to increase 4.0% due to an increase in business transactions and hourly rates.
- Computer/IT services shows an increase of \$90,477 which includes the continued outsourcing of the IT duties, outside consulting services, software maintenance and upgrades and hardware purchases.
- Communications expense, including classified advertising, is budgeted to increase by \$14,131 from \$188,469 for FY 2018 estimate to \$202,600 for FY 2019. This line item includes general aviation marketing and public relations consulting services, community mailings, photography and videos and bid and public meeting notices. A separate general ledger account has been established for advertising for employment and is part of the personnel costs.
- Insurance expense is projected to increase by \$108,800 in FY 2019, reflecting an increase in insured property values and an increase in wages upon which Workers' Compensation insurance is based. The budget includes \$25,000 for deductibles and contingencies.
- Utilities and environmental services are expected to increase by \$63,838. This reflects a slight increase in electricity costs, based on a rate increase from FPL and increased amount and usage of space. Telephone is anticipated to slightly increase due to increased use of cell systems to monitor systems such as fire panels and the irrigation system. Water, sewer, and garbage/recycling collection rates include a small rate increase.
- Office/Supplies/Postage/Printing Expenses are expected to increase by \$38,855 (this line item contains tools, small equipment and consumable supplies used by departments in their operations).
- ATCT (Air Traffic Control Tower), ARFF (Airport Rescue and Fire Fighting) Operations and Police Services are projected to increase by \$36,427 from \$911,573 for the FY 2018 estimate to \$948,000 for FY 2019. ATCT will show an increase of \$16,256 and Police Services will show a decrease of \$85,965. ARFF services will show an increase of \$106,136 from FY 2018. This includes projected cost of city fire personnel, training, repair and maintenance of fire equipment and building, utility service and firefighting chemicals.



- U.S. Customs expense is budgeted at \$369,100 for FY 2019, an increase of \$13,287 from FY 2018 estimate. This line item includes the reimbursement of salaries for two inspectors, data processing, utilities, office supplies, and pest control.
- Dues/subscriptions/fees expense is projected to increase by \$6,196 from \$56,023 for the FY 2018 estimate to \$62,219 for FY 2019. This includes memberships in groups to develop and utilize a Geographical Information System and Safety Management System.
- Auto gas and diesel fuel expense is budgeted to increase by \$21,836 for FY 2019 from \$63,164 to \$85,000. The increase is due to projected aircraft activity.
- Pilot services is expected to increase by \$10,000 from \$150,000 in FY 2018 estimate to \$160,000 in FY 2019, based on higher traffic volumes and the desire to provide excellence in customer service.
- No bad debt expense is budgeted for FY 2019.
- Total repair and maintenance expense is projected to increase by \$107,862 from \$1,772,524 in FY 2018 estimate to \$1,880,386 for FY 2019. The bulk of the increase is due to damages from Hurricane Irma totaling \$923,186. Building maintenance is expecting a decrease by \$12,293 from \$238,493 to \$226,200. Airfield maintenance is expecting an increase of \$134,698 from \$150,302 FY 2018 to \$285,000 in FY 2019, partly due to a 120K pavement marking project. Grounds maintenance is expected to increase by \$74,858 from \$75,142 FY 2018 to \$150,000 in FY 2019, partly due to additional landscaping replacements from Hurricane Irma. Vehicle maintenance is expecting a decrease by \$2,370 from \$27,370 to \$25,000 in FY 2019. Equipment maintenance is projected to decrease by \$27,537 for FY 2019.
- Cleaning supplies are projected to increase \$3,580 for FY 2019.

Operating income, which represents operating revenues less operating expenses, is projected to total \$2.3 million for FY 2019, a decrease of \$1,999,376 from the FY 2018 projected actual.

## **OTHER REVENUES AND EXPENSES**

“Other Revenues (Expenses)” represents revenue and expense items that are not incurred from the normal user activity of the Airport. This classification includes revenue received from customer facility charges, interest earned on bank accounts, finance charge revenue, the gain or loss on the sale or disposal of Airport property, and non-cash depreciation expense.

- Customer Facility Charges (CFCs) – All rental car companies doing business on the airport enter into a standard Agreement with the Authority and the Agreement contractually obligates the car company to collect and remit to the Authority a Customer Facility Charge. These funds are legally restricted as to their use and may only be used for improvements to facilities that benefit the rental car companies. In April 2002, a Rental Car Facility was completed which eliminated the multiple car wash and fueling sites and created a single facility for the rental car companies, thereby reducing exposure to environmental liabilities. This project included

a vehicular staging area. The Authority's cost to build this facility was repaid through the CFC, and additional General Aviation Terminal rental car service improvements were completed in FY 2006, FY 2009 and FY 2013. The Authority continues to collect CFCs and account for the money as Restricted. CFC revenue for FY 2019 is budgeted to be \$217,100.

- Interest revenue - The Authority maintains an operating account and a money market account at two different banks in the area. Both are qualified public depositories. Interest revenue for FY 2019 is anticipated to be \$428,100 based on a higher cash balance and anticipated higher interest rates.
- Depreciation is a non-cash expense that allows the Authority to recognize the capital costs of the Airport on an annual basis over those periods expected to benefit from the improvement. For FY 2019, forty-one percent (41%) of the depreciation expense is attributed to expenditures made with contributed capital (largely FAA and FDOT grants). The other fifty-nine percent (59%) of the depreciation expense is directly related to capital expenditures with the Authority's own funds. Depreciation expense for FY 2019 is budgeted to be \$3,625,600.
- Hurricane Irma insurance proceeds totaling \$850,000 are anticipated in FY 2019.

The FY 2019 Operating Budget forecasts a net gain of \$162,211. This is after non-cash depreciation expense of 3.6 million. Net income before depreciation expense is \$2.3 million.

**Naples Airport Authority**  
**FY 2019 Budget**  
**September Final**

**Key Assumptions**

- Fuel sales will increase slightly over the FY 2018 budget
- Increase in Hangar/T-Shelter/Tie down revenue from FY 2018 actuals
- Increase in overall operating expenses from FY 2018 actuals
- Major Capital Projects Scheduled:

Taxiway D Realignment North Quad	\$2.70M
Airport Fire Station Replacement	\$5.60M
Master Plan Update	\$ 680K

- Operating and Capital Reserves remain at \$6.0M
- No Debt

**Naples Airport Authority**  
**FY19 Budget Descriptions/Assumptions**

Account Name Operating Revenues	Descriptions or Assumptions used for FY-19 Budget	Amount
Net Fuel Revenue	Jet A and AvGas fuel gallons are based on the FY 2018 budget with an increase of 2.8% which is the current CPI plus 1%. The 3.8% increase for Jet A resulted in an increase of 205,063 projected gallons and an increase in revenue (net of COGS) of \$315,798. Jet A gallons are allocated across fuel programs using FY 2018 proportions. A slight decrease in gallons (7,840) sold is projected for AvGas products. Fuel revenue net (Jet A & AvGas) accounts for \$10,282,351 Carwash and Aviation Oil, \$12,560. Cost of goods sold includes the cost of fuel, lease costs on 4 trucks as well as depreciation costs of owning one fuel truck and credit cards fees for (\$283,420).	\$10,011,491
Concession Fees	Rental car concession revenues are budgeted at 3.0% of the FY 2018 projection with a slight increase based on actuals through July 2018. There is approximately a \$20,400 increase projected overall for concession fees for the budget year, \$667,100 in FY 2018 to \$687,500 for FY 2018-19.	\$687,500
Hangar/T-Shelter/Tiedown Rents	Projection is based on the FY 2018 actuals increased by the CPI (2.8%) as of May 31, 2018. There is also an increase of \$.10 per square foot for Exec 3 and Exec A hangars.	\$2,583,991
Building Rents	Based on current and anticipated leases and full occupancy of the Airport Office Building. The FY 2018-19 projection is also based on the FY 2018 rates increased by 2.8% for CPI.	\$437,934
Land Rents	Based on current leases and FY 2018 projection. Increased lease rates by 2.8% to reflect CPI as of May 31, 2018	\$901,937
Line Services	Ramp fees collected decreased in FY 15-16 and FY 16-17. The FY 2018 budget reflected this decrease by 2.0%. For FY 2018-19, the projection is based on the FY 2018 budget, increased by CPI (2.8%) plus 1%. The other line services reflect a 3.8% increase from the FY 2018 budget projection.	\$750,163
US Customs User Fees	Anticipate 28.5% increase in number of clearings and revenues over the FY 2018 budget.	\$411,730
Fuel Vendor's Cooperative Marketing	Specific expenses for promotion and uniforms (up to a maximum of \$40,800 increased by 2.0%) may be submitted to the fuel vendor's co-op program for 50% reimbursement.	\$20,400
Other	Includes charges for copies, outgoing faxes, gate cards and hangar keys.	\$300
<b>Total Operating Revenues</b>		<b>\$15,805,446</b>

**Naples Airport Authority**  
**FY19 Budget Descriptions/Assumptions**

Personnel Expense	In the FY 2018 budget, Personnel Expense included salaries and wages, payroll taxes, retirement plan, health club, uniforms, training & education, webinars, professional development, conference attendance, mileage, meals, lodging and air travel. For FY-19, this expense will include only salary and wages, payroll taxes (@ 7.65%), overtime and retirement plan (@ 6%). The other categories will be listed separately as a budgeted line. The FY 2019 budget is based on existing positions as well as twelve new anticipated positions (5 seasonal and 7 full time) to support traffic, customers and business administrative needs. Budgeted an overall increase of 6% which includes anticipated CPI, merit, and promotions.	\$5,995,377
Professional Fees	Contracted services including photography and graphics Also includes consulting and training services for noise abatement programs, financial software, records leadership and Human Resources.	\$665,325
Legal Fees	Based on FY 2018 activity and anticipated costs.	\$325,000
IT Services	IT services contracted with a consulting firm; outside consulting and training services; equipment and software upgrades and maintenance.	\$414,495
Communications Expense	Public relations consulting services, various pamphlets and brochures, graphic design services, special events, community outreach and promotions and related communications.	\$202,600
Insurance Expense (excluding Health, Dental, Life)	Based on cost of insurance renewals, contingencies, and deductibles. Includes insurance for Workers Comp, Flood, Commercial Package, Boiler & Machinery, Liability, Premises Pollution, Property and Terrorism.	\$557,900
Insurance - Health, Dental and Life	Employer cost of current plans based on full staffing of eligible positions. Projecting a 10% increase in rates for the May 1, 2019 renewal (5 months in FY 2019).	\$861,173
Employee Recognition and Affairs	Employee recognition awards, plaques, certificates and pins. Also to include two NAA employee events and quarterly safety awards.	\$33,100
Uniforms and Laundry	Standard uniforms for non-administrative personnel. Includes summer uniform program for all employees.	\$54,710
Training & Education	Includes in-house leadership, customer service, HR training and safety program.	\$105,590
Professional Development	Includes external leadership training and seminars.	\$30,600
Conferences	Costs related to conference registrations and attendance.	\$120,000
Travel/Mileage/Meals/Lodging	Business/conference/seminar travel and sponsorship of airport related events including meals, lodging and mileage.	\$60,000
Utilities & Environmental Expense	Electricity costs based on FPL; water, sewer, and garbage/recycling pickups. Includes environmental services including disposal of waste oil and filters, water analysis samples and other services as needed.	\$374,700
Office Supplies/Postage/Printing Expense	General office & operating supplies for all departments. Postage, Fed Ex and courier service. General printing including letterhead and business cards, checks and various NAA publications. Printing related to noise and communications.	\$143,650

**Naples Airport Authority**  
**FY19 Budget Descriptions/Assumptions**

Air Traffic Control Tower	General repair and maintenance of building and equipment, plus utility and telephone service and cleaning service.	\$62,000
Aircraft Rescue & Firefighting Expense	Includes projected cost of City fire personnel, training, repair and maintenance of fire equipment and building, utility service and fire fighting chemicals.	\$850,000
Police Services	Service provided by the Naples Police Department for presence at monthly Board meetings as well as NAA property patrol.	\$36,000
U.S. Customs and Border Protection Expense	Includes costs for the salaries for 2 inspectors, data processing, utilities, office supplies, pest control and other building maintenance.	\$369,100
Dues/Subscriptions/Fees Expense	Organizations and memberships, licenses, permits, fees, dues, subscriptions and publications.	\$62,219
Auto Gas and Diesel Fuel Expense	Auto gas and diesel fuel for NAA vehicles.	\$85,000
Pilot Services	Various services made available to GA and corporate pilots, including satellite television service, newspapers, coffee, ice, flight crew real-time weather information and red carpet service. Also included are the fees in providing AvTrip points with fuel purchase to participating pilots.	\$160,000
Building Maintenance	Routine repair and maintenance of NAA owned buildings, including carpet, furniture, window cleaning, pressure cleaning of Authority buildings, fire alarm monitoring, inspections, elevator and indoor plant maintenance. Building maintenance costs for the Tower, ARFF and Customs are expensed in those specific line items.	\$226,200
Airfield Maintenance	Routine repair and maintenance, including signage, tree service, paint, fence repair, runway lighting, security gates, and ramp lighting repair. Includes costs of culvert cleaning and maintenance "within the fence". Includes costs for maintenance and upgrades to the badging system and readers for airport gates and door access.	\$285,000
Grounds Maintenance	Routine maintenance, including flowers, fertilizer, weed killer, mulch, sprinkler maintenance, plant maintenance, palm/hedge trimming and inoculation of palms.	\$150,000
Vehicle Maintenance	General repair and maintenance of NAA street (licensed) vehicles.	\$25,000
Equipment Maintenance	General repair and maintenance of tractors and mowers, fuel farm and fueling equipment, radios, telephone system and office equipment maintenance contracts.	\$225,000
Carwash Operations	Utilities, maintenance and supplies to operate the car wash and fueling facility for the car rental companies.	\$32,350
Small Tools, Equipment and Supplies	Small equipment and supplies and miscellaneous signage.	\$46,000
Cleaning Supplies	Custodial cleaning supplies and paper goods.	\$33,000
*Hurricane Irma Expenses*	Hurricane Irma expenses were presented to the Board in the FY 2018 budget projection at \$2,000,000. Projected expenses thru 9/30/2018 are estimated to be \$969,311. Projected FY 2018-19 Irma related expenses are \$923,186.	\$923,186

**Total Operating Expenses**

**\$13,514,275**

**Operating Income/(Loss)**

**\$2,291,171**

**City of Naples Airport Authority  
FY19 Forecast**

	FY 2017		FY 2018		FY 2019		Incr / (Decr)
	Actual	Budget	Projected	Budget	Budget 18 vs Budget 19	Percent	
<b>Operating Revenue</b>							
Fuel Sales (net of COGS)	\$ 9,334,000	\$ 9,348,397	\$ 10,139,769	\$ 10,011,491	\$ 663,094	7.09%	
Concession Fees	682,000	667,100	723,941	687,500	20,400	3.06%	
Hangar/T-Shelter/Tiedowns	2,515,000	2,336,386	2,562,737	2,583,991	247,605	10.60%	
Building & Land Rent	1,388,000	1,303,376	1,389,181	1,339,871	36,495	2.80%	
Line Services	731,000	722,700	749,245	750,163	27,463	3.80%	
U.S. Customs User Fees	357,000	320,400	466,460	411,730	91,330	28.50%	
Other	19,000	20,300	32,683	20,700	400	1.97%	
<b>Total Operating Revenue</b>	<b>\$ 15,026,000</b>	<b>\$ 14,718,659</b>	<b>\$ 16,064,016</b>	<b>\$ 15,805,446</b>	<b>\$ 1,086,787</b>	<b>7.38%</b>	
<b>Operating Expenses</b>							
Personnel Expense	\$ 4,809,780	\$ 5,251,000	\$ 5,095,826	\$ 5,995,377	\$ 744,377	14.18%	
Professional Fees	335,000	526,900	571,503	665,325	138,425	26.27%	
Legal Fees	219,000	300,000	318,850	325,000	25,000	8.33%	
IT Services	264,000	440,300	324,018	414,495	(25,805)	-5.86%	
Communications Expense	151,000	200,300	188,469	202,600	2,300	1.15%	
Insurance Expense	450,000	457,900	449,100	557,900	100,000	21.84%	
Health Insurance	823,373	863,100	794,974	861,173	(1,927)	-0.22%	
Employee Recognition	16,261	27,100	27,285	33,100	6,000	22.14%	
Uniforms & Laundry	33,304	44,000	45,874	54,710	10,710	24.34%	
Training & Education / Webinars	41,459	120,000	66,744	105,590	(14,410)	-12.01%	
Professional Development	5,821	7,700	10,979	30,600	22,900	297.40%	
Conferences	52,849	115,000	68,228	120,000	5,000	4.35%	
Travel / Mileage / Meals / Lodging	44,154	44,700	31,410	60,000	15,300	34.23%	
Utilities & Environmental Expense	274,000	355,900	310,862	374,700	18,800	5.28%	
Office/Supplies/Postage/Printing Expense	83,000	130,200	104,795	143,650	13,450	10.33%	
Air Traffic Control Tower Expense	41,000	58,100	45,744	62,000	3,900	6.71%	
Aircraft Rescue & Firefighting Expense	554,000	883,500	743,864	850,000	(33,500)	-3.79%	
Police Services	35,000	35,000	121,965	36,000	1,000	2.86%	
US Customs Border Protection Expense	313,000	335,000	355,813	369,100	34,100	10.18%	
Dues/Subscriptions/Fees Expense	54,000	63,100	56,023	62,219	(881)	-1.40%	
Auto Gas & Diesel Fuel Expense	45,000	70,000	63,164	85,000	15,000	21.43%	
Car Wash Expense	35,000	32,800	26,036	32,350	(450)	-1.37%	
Pilot Services	112,000	150,000	150,000	160,000	10,000	6.67%	
Building Maintenance	214,329	225,000	238,493	226,200	1,200	0.53%	
Airfield Maintenance	82,679	180,000	150,302	285,000	105,000	58.33%	
Grounds Maintenance	54,059	138,000	75,142	150,000	12,000	8.70%	
Vehicle Maintenance	13,356	16,000	27,370	25,000	9,000	56.25%	
Equipment Maintenance	217,509	188,000	252,537	225,000	37,000	19.68%	
Small Tools, Equipment and Supplies	31,800	45,000	59,370	46,000	1,000	2.22%	
Cleaning Supplies	22,260	33,000	29,420	33,000	-	0.00%	
**Projected Hurricane Irma Expense**	-	2,000,000	969,311	923,186	(1,076,814)	0.00%	
<b>Total Operating Expenses</b>	<b>\$ 9,427,992</b>	<b>\$ 13,336,600</b>	<b>\$ 11,773,470</b>	<b>\$ 13,514,275</b>	<b>\$ 177,675</b>	<b>1.33%</b>	
<b>Income/(Loss) from Operations</b>	<b>\$ 5,598,008</b>	<b>\$ 1,382,059</b>	<b>\$ 4,290,546</b>	<b>\$ 2,291,171</b>	<b>\$ 909,112</b>	<b>6%</b>	
<b>Other Income/(Expense)</b>							
Customer Facility Charges	\$ 212,000	\$ 212,800	\$ 167,170	\$ 217,100	\$ 4,300	2.02%	
Depreciation Exp-Operations	(2,053,000)	(2,072,773)	(1,764,711)	(2,146,400)	73,627	-3.55%	
Depreciation Exp-Contributions	(1,651,000)	(1,727,227)	(1,294,331)	(1,479,200)	(248,027)	14.36%	
Interest Revenue	228,000	231,600	300,235	428,100	196,500	84.84%	
Grant Revenue	-	-	-	-	-		
Other Revenue (Expense)	(43,000)	-	1,350,441	851,440	851,440		
Rental Credit Expense	-	-	-	-	-		
Gain (Loss) on Disposal of Assets	12,000	-	-	-	-		
Interest Expense	-	-	-	-	-		
<b>Total Other Income (Expense)</b>	<b>\$ (3,295,000)</b>	<b>\$ (3,355,600)</b>	<b>\$ (1,241,197)</b>	<b>\$ (2,128,960)</b>	<b>\$ 877,840</b>	<b>-26.16%</b>	
<b>Net Income (Loss)</b>	<b>\$ 2,303,008</b>	<b>\$ (1,973,541)</b>	<b>\$ 3,049,349</b>	<b>\$ 162,211</b>	<b>\$ 1,786,952</b>	<b>-90.55%</b>	

**City of Naples Airport Authority**  
**FISCAL YEAR 2019 BUDGET**  
**Operating Budget**

	ACTUAL FY 2017	BUDGET FY 2018	ESTIMATED FY 2018	BUDGET FY 2019	Increase (Decrease) from Estimated FY 2018	Percent
<b>Net operating revenues</b>	\$ 15,026,000	\$ 14,718,659	\$ 16,064,016	\$ 15,805,446	\$ (258,570)	-1.61%
<b>Operating expenses</b>	<u>9,427,992</u>	<u>13,336,600</u>	<u>11,773,470</u>	<u>13,514,275</u>	<u>1,740,806</u>	14.79%
<b>Operating income</b>	<u>5,598,008</u>	<u>1,382,059</u>	<u>4,290,546</u>	<u>2,291,171</u>	<u>(1,999,376)</u>	-46.60%
Customer facility charges	212,000	212,800	167,170	217,100	49,930	29.87%
Interest revenue	228,000	231,600	300,235	428,100	127,865	42.59%
Realized gain (loss) on investments	-	-	-	-	-	0.00%
Claims and insurance settlements	-	-	-	-	-	0.00%
Other revenue	(43,000)	-	1,350,441	851,440	(499,001)	-36.95%
Gain (loss) on disposal of capital assets	12,000	-	-	-	-	0.00%
Interest expense	-	-	-	-	-	0.00%
Depreciation expense	(3,704,000)	(3,800,000)	(3,059,043)	(3,625,600)	(566,557)	18.52%
<b>Non-operating revenues (expenses)</b>	<u>(3,295,000)</u>	<u>(3,355,600)</u>	<u>(1,241,197)</u>	<u>(2,128,960)</u>	<u>(887,763)</u>	71.52%
<b>Net income (loss)</b>	<u>\$ 2,303,008</u>	<u>\$ (1,973,541)</u>	<u>\$ 3,049,349</u>	<u>\$ 162,211</u>	<u>\$ (2,887,139)</u>	-94.68%



## FY 2019 CAPITAL BUDGET INFORMATION

The FY 2019 Capital Improvement Plan (CIP) on the following pages lists the major projects as well as the items submitted by the different departments for consideration.

The Authority's Capital Improvement Plan (CIP) is organized into two categories of capital projects for FY 2019 through FY 2023. Participatory projects meet the eligibility requirements for funding assistance from outside agencies and require a level of matching funds from the Authority. Non-participatory projects are anticipated to be fully funded by the Authority.

### **Participatory Projects**

In FY 2019, the Authority's Capital Improvement Plan anticipates five projects equaling \$10.3 million in participatory projects.

The Five Year Capital Improvement Plan (FY 2019 – FY 2023) anticipates \$35.9 million in participatory projects with \$27.9 million in assistance from Federal (FAA) and State (FDOT) agencies and \$8.0 million funded by the Authority. The FAA and FDOT funding amounts shown for FY 2019 through FY 2023 are not guaranteed and do not reflect standard Authority match requirements. Anticipated participatory projects with a breakout of anticipated outside funding assistance are listed on the following pages.

### **Non-participatory Projects**

In FY 2019, the Authority's Capital Improvement Plan anticipates \$16.7 million in non-participatory projects. The Five Year Capital Improvement Plan (FY 2019 – FY 2023) anticipates \$23.4 million for projects that are fully funded by the Authority.

The following pages list the items submitted by the different departments for consideration. **The acceptance of the Capital Budget for FY 2019 does not constitute automatic Board approval for each item listed. All items exceeding the Executive Director's Delegation of Powers must be brought before the Board for individual consideration and approval.**

Capital Improvement Plan FY 2019 - 2023

Project	Dept	Estimated/Actual Expenditures					FY2019-FY2023	
		2018	2019	2020	2021	2022	2023	Total
Taxiway D - Realignment North Quad Design & Construction								
	FAA Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	FDOT Funding	\$ 1,259,679	\$ 1,350,000	\$ -	\$ -	\$ -	\$ -	\$ 1,350,000
	Other Funding (CFC)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	NAA Share	\$ 314,920	\$ 1,350,000	\$ -	\$ -	\$ -	\$ -	\$ 1,350,000
<b>Project Total</b>	<b>Development</b>	<b>\$ 1,574,599</b>	<b>\$ 2,700,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,700,000</b>
Airport Fire Station Replacement - Design & Construction								
	FAA Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	FDOT Funding	\$ 506,007	\$ 2,800,000	\$ -	\$ -	\$ -	\$ -	\$ 2,800,000
	Other Funding (CFC)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	NAA Share	\$ 126,502	\$ 2,800,000	\$ -	\$ -	\$ -	\$ -	\$ 2,800,000
<b>Project Total</b>	<b>Development</b>	<b>\$ 632,509</b>	<b>\$ 5,600,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,600,000</b>
Master Plan Update								
	FAA Funding	\$ 264,398	\$ 340,000	\$ -	\$ -	\$ -	\$ -	\$ 340,000
	FDOT Funding	\$ 26,440	\$ 34,000	\$ -	\$ -	\$ -	\$ -	\$ 34,000
	Other Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	NAA Share	\$ 237,958	\$ 306,000	\$ -	\$ -	\$ -	\$ -	\$ 306,000
<b>Project Total</b>	<b>Development</b>	<b>\$ 528,796</b>	<b>\$ 680,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 680,000</b>
T-Hangar & Box-Hangar Development South Quad								
	FAA Funding	\$ -	\$ 675,000	\$ 6,075,000	\$ -	\$ -	\$ -	\$ 6,750,000
	FDOT Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Other Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	NAA Share	\$ -	\$ 75,000	\$ 675,000	\$ -	\$ -	\$ -	\$ 750,000
<b>Project Total</b>	<b>Development</b>	<b>\$ -</b>	<b>\$ 750,000</b>	<b>\$ 6,750,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,500,000</b>
Runway 5-23 Drainage Improvements								
	FAA Funding	\$ -	\$ 540,000	\$ 3,060,000	\$ -	\$ -	\$ -	\$ 3,600,000
	FDOT Funding	\$ -	\$ 30,000	\$ 170,000	\$ -	\$ -	\$ -	\$ 200,000
	Other Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	NAA Share	\$ -	\$ 30,000	\$ 170,000	\$ -	\$ -	\$ -	\$ 200,000
<b>Project Total</b>	<b>Development</b>	<b>\$ -</b>	<b>\$ 600,000</b>	<b>\$ 3,400,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,000,000</b>

**Capital Improvement Plan FY 2019 – 2023**

Project	Dept	Estimated/Actual Expenditures						FY2019-FY2023	
		2018	2019	2020	2021	2022	2023	Total	
Commercial Terminal Apron Rehabilitation									
	FAA Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	FDOT Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000	\$ 1,200,000
	Other Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	NAA Share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000
<b>Project Total</b>	Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000
South GA Apron Rehabilitation									
	FAA Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	FDOT Funding	\$ -	\$ -	\$ -	\$ -	\$ 1,600,000	\$ -	\$ -	\$ 1,600,000
	Other Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	NAA Share	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ 400,000
<b>Project Total</b>	Development	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
East Quadrant Apron Expansion									
	FAA Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	FDOT Funding	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ 2,640,000	\$ -	\$ 3,040,000
	Other Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	NAA Share	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 760,000	\$ -	\$ 860,000
<b>Project Total</b>	Development	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 3,400,000	\$ -	\$ 3,900,000
North GA Ramp Rehabilitation									
	FAA Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	FDOT Funding	\$ -	\$ -	\$ -	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 1,200,000
	Other Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	NAA Share	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000
<b>Project Total</b>	Development	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000
GA Terminal traffic and parking improvements and Radio Road									
	FAA Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	FDOT Funding	\$ -	\$ -	\$ 400,000	\$ 1,600,000	\$ -	\$ -	\$ -	\$ 2,000,000
	Other Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	NAA Share	\$ -	\$ -	\$ 100,000	\$ 400,000	\$ -	\$ -	\$ -	\$ 500,000
<b>Project Total</b>	Development	\$ -	\$ -	\$ 500,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 2,500,000
Taxiway B Extension, Apron construction, wildlife habitat removal - N. Quad									
	FAA Funding	\$ -	\$ -	\$ 3,600,000	\$ -	\$ -	\$ -	\$ -	\$ 3,600,000
	FDOT Funding	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
	Other Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	NAA Share	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
<b>Project Total</b>	Development	\$ -	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000
<b>Total Participatory Projects</b>									
	FAA Funding	\$ 264,398	\$ 1,555,000	\$ 12,735,000	\$ -	\$ -	\$ -	\$ -	\$ 14,290,000
	FDOT Funding	\$ 1,792,126	\$ 4,214,000	\$ 770,000	\$ 2,800,000	\$ 2,000,000	\$ 3,840,000	\$ -	\$ 13,624,000
	Other Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	NAA Share	\$ 679,380	\$ 4,561,000	\$ 1,145,000	\$ 700,000	\$ 500,000	\$ 1,060,000	\$ -	\$ 7,966,000
<b>Total Participatory Projects</b>		\$ 2,735,904	\$ 10,330,000	\$ 14,650,000	\$ 3,500,000	\$ 2,500,000	\$ 4,900,000	\$ -	\$ 35,880,000

**Capital Improvement Plan FY2019 – 2023**

Project	Dept	FY2019- FY2023						Total
		2018	2019	2020	2021	2022	2023	
Obstruction Action Plan	Dev	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Generator	Dev	\$ 130,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GA Terminal HVAC - design & replacement	Dev	\$ 351,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FS 333 revisions (city and county)	Dev	\$ 37,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GA Terminal Office realignment	Dev	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GA ramp lighting evaluation for upgrade	Dev	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchase/development of airport facilities	Dev	\$ -	\$ 5,500,000	\$ -	\$ -	\$ -	\$ -	\$ 5,500,000
Hangar door replacement	Dev	\$ 275,000	\$ 285,000	\$ 285,000	\$ 285,000	\$ -	\$ -	\$ 855,000
ATCT cabinet & equip upgrade-design & construction	Dev	\$ -	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ 175,000
Fuel Farm rehab/ design/ construction	Dev	\$ 105,000	\$ 1,070,000	\$ -	\$ -	\$ -	\$ -	\$ 1,070,000
Remove middle berm; landscape small berm; grade Car Wash field	Dev	\$ -	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ 175,000
GA Terminal parking garage feasibility & preliminary design/layout	Dev	\$ 175,000	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
GA ramp canopy feasibility study	Dev	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Self-fueler rehab (2)	Dev	\$ 260,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Development - Fuel Farm Road- Mill & Overlay	Dev	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
Development - GAT Improvements	Dev	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000
Development - GAT Parking Solutions	Dev	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Development - Hurricane Irma Executive 3 Hangar Repair	Dev	\$ 278,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Development - Hurricane Irma T Hangar Repair	Dev	\$ -	\$ 1,032,000	\$ -	\$ -	\$ -	\$ -	\$ 1,032,000
Development - Hurricane Irma Exec 3 & T Hangar	Dev	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Development - Wildlife Deterrent Fencing	Dev	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000
Development - Pond 212 Water Management Study	Dev	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
Development - Solar Farm	Dev	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000
Development - Rehab & Paint Runway 5-23; Edge Paint and Reflective Cracking	Dev	\$ -	\$ -	\$ -	\$ 700,000	\$ -	\$ -	\$ 700,000
Airport Security Upgrade	Dev	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Off Airport obstruction removal	Dev	\$ -	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 200,000
Facilities - Replace Trucks (\$35,000 ea)	Fac	\$ 70,000	\$ 70,000	\$ 35,000	\$ -	\$ -	\$ -	\$ 105,000
Facilities - Purchase forklift	Fac	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Facilities - Upgrade ATCT fire panel	Fac	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities - Upgrade GA fire panel	Fac	\$ 14,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities - Replace Custodial golf cart	Fac	\$ -	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ 30,000
Facilities - Replace landscape mower	Fac	\$ 14,000	\$ 14,000	\$ -	\$ -	\$ -	\$ -	\$ 14,000
Facilities - New mower	Fac	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000
IT - Purchase & implement document mgt system for electronic records	IT	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 80,000
IT - Replace network switches (CAT, Pilots Lounge, CAP)	IT	\$ 16,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT - Purchase local and remote console for Naples Server Room	IT	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT - Backup storage	IT	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT - Replace WiFi at GAT, CAT, and USC (8 yrs old; business & guest)	IT	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000
IT - Replace WiFi , outdoor other areas (8yrs old)	IT	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000
IT - Replace two (2) ancillary (non-Citrix) servers	IT	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
IT - Upgrade MSOffice (75 licenses) to current system of choice	IT	\$ -	\$ -	\$ 36,000	\$ -	\$ -	\$ -	\$ 36,000
IT - Replace core switches	IT	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ 30,000
IT - Replace firewalls	IT	\$ -	\$ -	\$ -	\$ -	\$ 90,000	\$ -	\$ 90,000
IT - Replace Citrix server	IT	\$ -	\$ -	\$ -	\$ -	\$ 120,000	\$ -	\$ 120,000
IT - Second Tier Network Server - replace network server	IT	\$ 21,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT - AOB Closed Captioning	IT	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000

**Capital Improvement Plan FY2019 – 2023**

Project	Dept	FY2019- FY2023						Total
		2018	2019	2020	2021	2022	2023	
Admin - Property Appraisal	Fin	\$ 6,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Admin - Investment Policy	Fin	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000
Admin - Record Retention	Fin	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000
Admin - Navigator data migration & reporting; stabilize; user training	Fin	\$ 9,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 59,000
Admin/IT - E-bill pay and chip/pin compliance	Fin	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Admin - Implementation of C (Corporate) cards	Fin	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Noise - Aircraft ops counting system	Noise	\$ -	\$ 320,000	\$ -	\$ -	\$ -	\$ -	\$ 320,000
Noise Study 2019	Noise	\$ -	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 1,000,000
Operations - SMS	Ops	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Operations - FBO Point of sale system	Ops	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Operations - 139 Inspections Software	Ops	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Operations - Replace Limo golf cart	Ops	\$ 15,000	\$ 60,000	\$ 13,000	\$ -	\$ -	\$ -	\$ 88,000
Operations - Replace GPU	Ops	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Operations - Wireless fuel truck transfer	Ops	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
Operations - Replace Lektro tug #6	Ops	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,000
Operations - Additional tow dolly (flat tire dolly)	Ops	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Operations - Replace baggage carts (2) chocks/cones	Ops	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Operations - Replace CR3 (small fire truck 2008)	Ops	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000
Operations - Replace Crash Phone system	Ops	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Operations - Upgrade Self-fuelers to wireless connectivity	Ops	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Operations - Replace Ops van #4 ( Mini-bus type)	Ops	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000
Operations - Replace Ops3	Ops	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Operations - Replace CF3 (large fire truck 2006)	Ops	\$ -	\$ -	\$ -	\$ 800,000	\$ -	\$ -	\$ 800,000
Operations - New Gator (4X4 utility)	Ops	\$ -	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ 12,000
Operations - Purchase/implement wireless Veeder-Root	Ops	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Operations - Replace Lektro tug #9	Ops	\$ -	\$ -	\$ -	\$ 110,000	\$ -	\$ -	\$ 110,000
Operations - Replace Lektro tug #8	Ops	\$ -	\$ -	\$ -	\$ -	\$ 110,000	\$ -	\$ 110,000
Operations - Tow Behind Blower	Ops	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 8,000
Operations - FOD Boss Replacement	Ops	\$ -	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ 7,000
Operations - Diesel Trailer	Ops	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
Operations - Replace Tug	Ops	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Operations - HAZMAT/ARC Trailer	Ops	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000
<b>Total Non-Participatory Projects</b>		<b>\$ 2,617,700</b>	<b>\$ 16,747,000</b>	<b>\$ 1,674,000</b>	<b>\$ 4,465,000</b>	<b>\$ 510,000</b>	<b>\$ 40,000</b>	<b>\$ 23,436,000</b>
<b>Grand Total</b>		<b>\$ 5,353,604</b>	<b>\$ 27,077,000</b>	<b>\$ 16,324,000</b>	<b>\$ 7,965,000</b>	<b>\$ 3,010,000</b>	<b>\$ 4,940,000</b>	<b>\$ 59,316,000</b>
<b>Capital Improvement Plan Summary</b>								
Total Participatory Projects		\$ 2,735,904	\$ 10,330,000	\$ 14,650,000	\$ 3,500,000	\$ 2,500,000	\$ 4,900,000	\$ 35,880,000
Total Non-Participatory Projects		\$ 2,617,700	\$ 16,747,000	\$ 1,674,000	\$ 4,465,000	\$ 510,000	\$ 40,000	\$ 23,436,000
<b>Total All Projects</b>		<b>\$ 5,353,604</b>	<b>\$ 27,077,000</b>	<b>\$ 16,324,000</b>	<b>\$ 7,965,000</b>	<b>\$ 3,010,000</b>	<b>\$ 4,940,000</b>	<b>\$ 59,316,000</b>

## **CASH FLOW AND CASH ALLOCATION: FY 2019 FORECAST**

The following Cash Flow and Cash Allocation: FY 2019 Forecast displays the Authority's anticipated cash balances from FY 2019 through FY 2022. This information shows the effect on cash resulting from projected operating revenues and expenses and the Authority's Capital Improvement Plan. FY 2018 Cash and Equivalents increase by \$3.0 million as a result of a delay in the purchase or construction of capital assets. Cash and Equivalents are projected to decrease in FY 2019 by \$18.7 million because of an increase in Authority-funded capital improvement projects. In FY 2018, the majority of the cost of capital projects was matched by capital contributions, however in FY 2019 capital spending will exceed anticipated contributions. During FY 2020, cash and equivalents improve, reflecting reduced capital improvement spending.

This cash flow demonstrates that the Authority should be able to complete the anticipated Five-Year Capital Improvement Plan without outside financing, as long as the anticipated levels of FAA and FDOT funding are received.

The Forecast also shows the continuation of CFCs throughout FY 2022. The Cash Allocation section of the report provides information on restricted (specific use) funds, unrestricted funds, operating and capital reserves, and unallocated cash. Operating and Capital Reserves will increase to \$6.0 million to provide for yet to be identified or unexpected (emergency/disaster) operating and capital expenditures.

**CITY OF NAPLES AIRPORT AUTHORITY  
CASH FLOW AND CASH ALLOCATION: FY 2019 FORECAST**

	FORECAST					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>CASH FLOW</b>						
Operating Revenue	\$ 15,026,000	\$ 16,064,016	\$ 15,805,446	\$ 16,280,000	\$ 16,768,000	\$ 17,271,000
Operating Expense	(9,436,000)	(11,773,470)	(13,514,275)	(14,055,000)	(14,617,000)	(15,202,000)
Operating Income	5,590,000	4,290,546	2,291,171	2,225,000	2,151,000	2,069,000
Adjustment for Non-Cash Items	42,000	42,000	42,000	42,000	42,000	42,000
Adjustment for Working Capital	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
<b>Cash Flow from Operating Activities</b>	<b>5,622,000</b>	<b>4,322,546</b>	<b>2,323,171</b>	<b>2,257,000</b>	<b>2,183,000</b>	<b>2,101,000</b>
Acquisition, Construction of Capital Assets	(4,165,455)	(5,353,604)	(27,077,000)	(16,324,000)	(7,965,000)	(3,010,000)
Capital Contributions	1,937,000	1,796,636	5,769,000	13,505,000	2,800,000	2,000,000
Proceeds from Sale of Capital Assets	21,000	-	-	-	-	-
Customer Facility Charge Revenue	474,689	567,370	687,540	715,000	744,000	774,000
<i>NAA Portion of Acquisition &amp; Construction</i>	<i>(1,732,766)</i>	<i>(2,989,598)</i>	<i>(20,620,460)</i>	<i>(2,104,000)</i>	<i>(4,421,000)</i>	<i>(236,000)</i>
Proceeds From Loans	-	-	-	-	-	-
<b>Cash Flow from Capital &amp; Related Activities</b>	<b>(1,732,766)</b>	<b>(2,989,598)</b>	<b>(20,620,460)</b>	<b>(2,104,000)</b>	<b>(4,421,000)</b>	<b>(236,000)</b>
Interest Revenue	228,544	300,235	428,100	157,000	160,000	139,000
Cash transferred from SBA Fund B Investments	-	-	-	-	-	-
Other Revenue	(42,778)	1,350,441	851,440	1,440	1,440	1,440
<b>Cash Flow from Investing Activities</b>	<b>185,766</b>	<b>1,650,676</b>	<b>1,279,540</b>	<b>158,440</b>	<b>161,440</b>	<b>140,440</b>
<b>Increase (Decrease) in Cash and Equivalents:</b>	<b>4,075,000</b>	<b>2,983,624</b>	<b>(17,017,749)</b>	<b>311,440</b>	<b>(2,076,560)</b>	<b>2,005,440</b>
Cash and Equivalents at Beginning of Period	25,670,000	29,745,000	32,728,624	15,710,875	16,022,315	13,945,755
<b>Cash and Equivalents at End of Period</b>	<b>29,745,000</b>	<b>32,728,624</b>	<b>15,710,875</b>	<b>16,022,315</b>	<b>13,945,755</b>	<b>15,951,195</b>
<b>CASH ALLOCATION</b>						
Compensating Balance - Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CFC Account Balance	1,587,000	2,154,370	2,841,910	3,556,910	4,300,910	5,074,910
<b>Restricted Cash</b>	<b>1,587,000</b>	<b>2,154,370</b>	<b>2,841,910</b>	<b>3,556,910</b>	<b>4,300,910</b>	<b>5,074,910</b>
Unrestricted Cash	28,158,000	30,574,254	12,868,965	12,465,405	9,644,845	10,876,285
Capital Reserves at End of Period	-	-	-	-	-	-
<b>Reserves</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>6,000,000</b>	<b>6,000,000</b>	<b>6,000,000</b>	<b>6,000,000</b>
<b>Unallocated Cash</b>	<b>\$ 23,158,000</b>	<b>\$ 25,574,254</b>	<b>\$ 6,868,965</b>	<b>\$ 6,465,405</b>	<b>\$ 3,644,845</b>	<b>\$ 4,876,285</b>

## **FY 2019 APPROPRIATION FOR EXPENDITURES AND RESERVES**

### **SCHEDULE OF AVAILABLE RESOURCES, REVENUES, RECEIPTS, EXPENSES AND EXPENDITURES**

Florida Statute 189.016(3) requires that the governing body of a special district adopt a budget by resolution each fiscal year. The total amount available from revenues and other sources, including amounts carried forward from prior fiscal years, must equal the total of appropriations for expenditures and reserves. The adopted budget regulates the total expenditures of the special district for the fiscal year, and it is unlawful for any officer of a special district to expend or contract for expenditures that exceed the budgeted appropriations.

The Authority's sources of revenues and receipts include both operating and non-operating revenues and contributed capital. The Authority's expenses and expenditures include operating and non-operating expenses, capital projects and principal and interest payments. Depreciation expense is not included since the outlay for capital projects either occurred in the past or is reflected in this schedule. The available resources at the beginning of the year and at year-end are not representative of the Authority's actual cash on hand, since the Authority reports revenues and receipts when earned, not when received from the customers, and reports expenses and expenditures when incurred, not when paid to the vendor.

For FY 2019, total available resources, revenues and receipts is projected to be \$49,448,510 and total expenses and expenditures is projected to be \$40,591,275. Total available resources at year-end is \$8,857,235 a decrease of \$17,520,189 from estimated FY 2018. This decrease is largely attributable to the Authority's use of their own funds for capital projects.

The Schedule of Available Resources, Revenues, Receipts, Expenses and Expenditures is consistent with Generally Accepted Accounting Principles (GAAP) except that in order to clarify the Authority's intent for total expenses and expenditures, capital projects and principal payments on notes payable are included as expenditures and depreciation and amortization are excluded. When there is a difference between the budgetary basis of accounting and GAAP, a reconciliation must be provided.