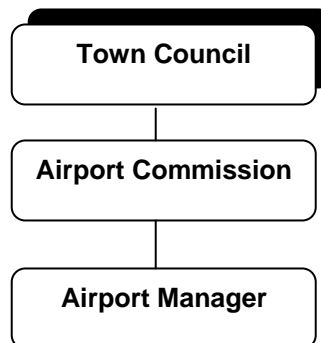


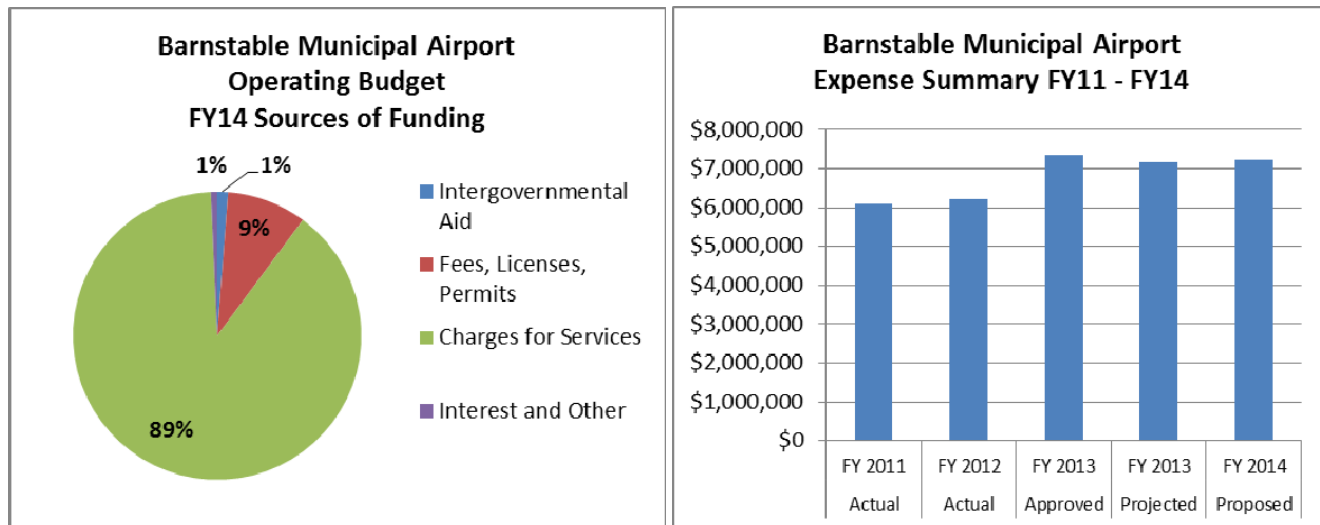
BARNSTABLE MUNICIPAL AIRPORT

(Enterprise Fund)

The mission of the Barnstable Municipal Airport is to provide a superb air travel experience and high quality aviation activities to the citizens of the Town of Barnstable, the Cape Cod region, and the Commonwealth of Massachusetts. As a non-hub primary airport and a major transportation facility, our goal is not only to foster local economic growth, but to ensure that the airport remains as an integral part of the regional transportation plan in an effort to meet the growing demand for present and future air travel.



FY 2014 DEPARTMENT FINANCIAL DATA



Charges for services provide 90% of the funding for this operation. A majority of this revenue comes from the sale of jet fuel. Some federal government aid is received from the Transportation Security Administration which partially offsets security related expenses at the airport. Expenditures have increased from \$6.1 million in FY11 to \$7.2 million in FY14. Most of the expenditure increase is in the operating expense category due to the rising cost of jet fuel.

SUMMARY OF DEPARTMENT EXPENDITURES, RESOURCE ADJUSTMENTS AND FUNDING SOURCES

Expense Category	Actual FY 2011	Actual FY 2012	Approved FY 2013	Projected FY 2013	Proposed FY 2014	Change FY13 - 14	Percent Change
Personnel	\$ 1,824,625	\$ 1,911,111	\$ 2,009,740	\$ 2,001,000	\$ 2,080,010	\$ 70,270	3.50%
Operating Expenses	3,955,440	3,928,518	4,862,765	4,700,000	4,649,451	(213,314)	-4.39%
Capital Outlay	70,883	50,459	112,500	110,500	112,500	-	0.00%
Debt Service	-	51,674	50,850	50,850	55,100	4,250	8.36%
Transfers Out	250,336	267,490	313,603	313,603	333,586	19,983	6.37%
Subtotal Operating Budget	6,101,284	6,209,252	7,349,458	7,175,953	7,230,647	(118,811)	-1.62%
Capital Program	14,342,113	13,742,397	1,866,000	1,866,000	10,096,000	8,230,000	441.05%
Total Expenses	20,443,397	19,951,649	9,215,458	9,041,953	17,326,647	8,111,189	88.02%
Permanent full-time equivalent employees	25.00	24.60	25.30		25.50	0.20	
Funding Sources							
Taxes	-	-	-	-	-	-	0.00%
Intergovernmental Aid	14,596,208	8,589,936	77,000	85,000	87,600	10,600	13.77%
Fees, Licenses, Permits	473,490	592,045	624,500	650,000	645,191	20,691	3.31%
Charges for Services	6,035,520	6,009,129	6,596,958	6,400,000	6,446,856	(150,102)	-2.28%
Interest and Other	152,823	51,006	51,000	55,000	51,000	-	0.00%
Borrowing Authorizations	730,000	-	-	-	9,504,000	9,504,000	0.00%
Total Sources	21,988,041	15,242,116	7,349,458	7,190,000	16,734,647	9,385,189	127.70%
Excess (Deficiency) cash basis	1,544,644	(4,709,533)	(1,866,000)	(1,851,953)	(592,000)	\$ 1,274,000	
Adjustment to accrual basis	16,172,411	11,957,254	-	2,000,000	-		
Beginning Net Assets	45,266,629	62,983,684	70,231,405	70,231,405	70,379,452		
Ending Net Assets	\$ 62,983,684	\$ 70,231,405	\$ 68,365,405	\$ 70,379,452	\$ 69,787,452		

SUMMARY OF SIGNIFICANT BUDGET CHANGES

The FY14 proposed Airport operating budget is decreasing \$118,811, or 1.7%. Personnel costs are increasing \$70,270. This includes all contractual obligations as well as the increase of one 32 hour per week position to 40 hours per week for an annual cost of \$9,544. Operating expenses are decreasing \$213,314. This is due to a reduction in the amount of jet fuel purchases. Operating capital is level funded at \$112,500 and the transfer to the general fund is increasing \$19,983. The total operating budget is provided from current year estimate receipts and no reserves are used to balance the budget. \$592,000 of the airport reserve is used to fund a portion of the FY14 capital improvement program previously authorized by the Town Council.

PROGRAM

AIRPORT PROGRAM

Program Description. The Barnstable Municipal Airport serves as a distinct commercial transportation hub for the residents of the Town of Barnstable and Cape Cod by meeting the regional demand for air transportation. For some, it provides very affordable and economic travel opportunities from Hyannis to other major destinations across the country, and yet for others, the airport provides a much needed mode of travel to and from the Islands of Nantucket and Martha's Vineyard, for travel, tourism, and for a large professional labor force that commute to jobs. The Barnstable Airport, in conjunction with its tenants and associated businesses, provide employment opportunities for more than 2,246 people as documented in a FY2011 Economic Impact Analysis, that combined could be considered to be one of the largest employers on Cape Cod. In normal economic times, the Airport supports over 120,000 aircraft operations, and over 400,000 passengers embark to, and debark from, a variety of locales. These figures do not include a vast array of general aviation activities that include private and corporate passenger and freight aviation flight services. From Hyannis, travelers are afforded many flight opportunities, to local and national destinations, including Nantucket and Martha's Vineyard, Boston, New York City and beyond.

The Barnstable Municipal Airport has met the requirements of the Title 49 USC, Subtitle VII – Aviation Program and is authorized to operate as a certificated airport in accordance with, and subject to, said statute and the rules, regulations, and standards prescribed thereunder, including but not limited to, 14 CFR Part 139 and as approved in its Airport Certification Manual on file with the Federal Aviation Administration; and is approved as a public use airport in accordance with the provisions of Chapter 90, Section 39B of the General Laws of Massachusetts; and as such, is recertified on an annual basis.

The Barnstable Airport is managed by a seven member Airport Commission appointed by the Town Council. The Airport employs 25 full-time employees who operate and maintain the Airport 24 hours a day, 7 days a week, 365 days a year. The duties of airport personnel are both broad and varied, many of which are dictated by the FAA FAR Part 139 Airport Certification. The services are provided by three separate and distinct Airport Departments: Airport Operations, Airport Maintenance, and Airport Administration – that work together as a whole to provide mandated and required services.

Operations Department - The ten full-time Operations employees are tasked with servicing tenant and transient aircraft including transportation of passengers from these aircraft and passenger transportation in the busy summer months to and from remote parking areas; performing wildlife management duties to keep flight operations safe; refueling aircraft; inspecting and ensuring a safe airfield; and responding to emergency situations with our Aircraft Rescue and Fire Fighting vehicles. Aircraft rescue response, as mandated by the Federal Aviation Administration, must be able to respond to and reach an accident site within three minutes or less. Airport rescue personnel constantly train and participate in live drill exercises in order to stay proficient and ready to handle any aircraft emergency.

Maintenance Department - Upkeep of the airfield and airport facilities by our nine full-time maintenance employees takes precedence over all other maintenance tasks. Since Barnstable Airport is a certified FAA FAR Part 139 commercial service airport, any and all, airside discrepancies must be documented and corrected as expeditiously as possible. Their duties include maintaining runways, taxiways, and ramps; painting airfield markings; mowing all grass areas in the 683 acre airport property; maintaining all airfield lighting; conducting all snow removal operations for the airfield and the terminal roadways; maintaining all airport owned buildings and grounds; and maintaining the fleet of vehicles needed to accomplish our mission.

Administration Department - The Administrative staff performs a myriad of administrative functions such as overseeing airport security, noise abatement and environmental response, billing, auditing and bookkeeping, contracting, construction oversight, budgeting, processing airport employee and tenant security identification files, and overseeing leases, and communications with the public.

FY 2014 GOALS (All Barnstable Municipal Airport and Airport Commission Goals relate to Town Council Strategic Plan FY2014 Priorities of Finance, Infrastructure, Economic Development, Public Health and Safety, Environmental and Natural Resources and Regulatory Access and Accountability).

Short Term

1. Complete the replacement of the circa 2003 Runway 6 Engineered Material Arresting System (EMAS) to prevent aircraft overshoots.
2. Take steps to increase airport revenues by increasing General Aviation (GA) business at the Airport: research and provide enhanced high quality facilities and services, and provide better business management to retain and increase GA business and revenues; complete the permitting and installation of a 30 acre ground mounted solar PV system to start to become energy independent and reduce the airport carbon footprint; and to develop airport properties.
3. Complete the permitting and commence obstruction clearance in the Runway Visibility Zone to improve aviation safety.
4. Complete the design and permitting for the installation of a Town sewer line to existing buildings on the East Ramp and to accommodate future growth in the area and improve airport water quality within the Zone of Contribution to the Maher Well Field.
5. Complete the design and commence construction of a new 60,000 gallon above ground jet fuel storage tank facility and removal of the old 20,000 gallon underground jet fuel storage tank.
6. Commence the North Ramp groundwater bioremediation and oxidant injection remediation treatment systems to continue drinking water protection efforts.
7. Complete the airport master plan and Cape Cod Commission (CCC) Development Agreement; and complete the Cape Cod Commission (CCC) requirements for the 2007 DRI Final Certificate of Compliance.
8. Continue to improve community relations with consideration to develop support for the Airport's future plans and to address efforts for noise and pollution abatement.
9. Closely monitor and work with the Cape Cod Commission Hyannis Access Study as it impacts the Airport along Routes 28 and 132; and a potential for change to future airport access and airport development.
10. Complete the Airport comprehensive property line and leasehold survey.
11. Evaluate available technologies for improving noise, and storm-water and groundwater management.
12. Review and obtain appropriate airport software to provide real time information regarding revenues sources, expenses, and other financial information.

Long Term

1. Work with tenants and potential developers to build new general aviation facilities and public facilities to meet the needs of general aviation demand; be in keeping with the FAA approved Airport Layout Plan and the new CCC Development Agreement; and provide an airport operated Fixed Base Operation (FBO) program to meet projected demand.
2. Develop market strategies to attract prospective air carriers and scheduled air charter services to meet the Cape's demand for air travel.
3. Serve as an integral component of the Cape Cod Transportation Plan in order to more effectively promote the use of mass transit transportation.

DESCRIPTION OF DECISION PACKAGES REQUESTED

1. Personnel Position Change

\$9,544 Requested

\$9,544 Recommended

This position request to change from a part-time to full-time position will increase the position by 8 hours, from a 32-hour position to a 40-hour position at a projected cost increase of \$9,543.75. In an effort to maintain and enhance the Airport revenue stream from the sale of jet fuel, the Barnstable Municipal Airport Commission approved and instituted a new Jet Fuel Volume Discount Program. Volume discounts will now be offered to qualifying purchasers of jet fuel under very specific guidelines. The goal would be to have as many aviation purchasers of jet fuel under specific contracts/fuel pricing agreements to guarantee minimum levels of fuel purchases in return for guaranteed discounted pricing. The Airport has approved two Fuel Pricing Agreements in FY2013 that are projected to increase fuel sales volume by an estimated 170,000 gallons of jet fuel in FY2014. This has necessitated the acquisition of an additional small 1,200 gallon jet fuel refueling truck on lease, and to adopt a more high intensity refueling protocol, requiring more dedicated personnel to comply with the increased demand. This requested position change is the first step in meeting this new demand. Should the program be as successful as planned, the Airport may seek to request an additional full-time position in FY2015 to meet new demand. No new position description is needed and the current position #77027 is on file with the Human Resources Department.

2. Operating Capital (Equipment)

\$36,500 Requested

\$36,500 Recommended

The existing circa 1990 Crouse Constant Current Regulators (CCRs) with output metering are in very poor condition with an increasing failure rate, have a lack of replacement parts, are beyond economical repair, and must be replaced. There are in excess of 20 CCRs throughout the airfield that are used to regulate taxiway, runway and navigational lighting. This year, we would like to purchase and install four (4) Ferro resonant CCRs ranging in size from 4kW to 10kW in size with digital power output metering. This will be a continuing program of replacement until all CCRs are completed. Runway and taxiway lighting is a continuous program essential to maintaining our airport systems to meet flight safety and FAA FAR Part 139 mandated Airport Certification requirements. This request was approved in FY2013, but due to other unforeseen operating capital needs, the funds were used for a higher priority project.

3. Operating Capital (Equipment)

\$36,000 Requested

\$36,000 Recommended

The Airport has approximately 50 pieces of equipment which are replaced with the operating capital budget. Much of this equipment is necessary to meet FAA FAR Part 139 Airport Certification requirements. This equipment consists of items ranging from front end loaders, trucks, sanders, plows, aircraft servicing equipment, and mowing equipment. As replacement cost needs exceed available funds, replacement of equipment has been deferred. The backlog has continued to grow with the FY2014 backlog exceeding \$650,000, a portion of which will be eligible for FAA reimbursement in FY2014 and beyond. This request will not meet all backlog needs, but it will allow the purchase of a new pavement crack sealer to meet FAA pavement maintenance requirements. This request was approved in FY2013, but due to other unforeseen operating capital needs, the funds were used for a higher priority project.

4. Operating Capital (Systems)

\$40,000 Requested

\$40,000 Recommended

An existing airport owned circa 1980 Hangar building of approximately 12,600 square feet, is in need of renovations to extend its useful life, make the spaces habitable for the new lessee and its employees, and to meet current Building Code and ADA requirements. This phase will focus on office space electrical system upgrades. A majority of the building is currently leased to Cape Air, and there are currently 20 employees working out of this facility. These repairs are part of an ongoing program of repairs and renovations to buildings and equipment systems necessary in order to protect the investments the Airport has made in its capital assets. This is Phase 2 of a 3-year phased approach to make required repairs to Hangar II systems that do not meet current Building Code or ADA requirements, as identified by our contract Airport Engineers. The repairs will be made in conjunction with Hyannis Air Service, d/b/a Cape Air, as part of a new long term lease. This request was approved in FY2013, but due to other unforeseen operating capital needs, the funds were used for a higher priority project.

FY 2012-2013 MAJOR ACCOMPLISHMENTS

1. Maintained Federal Aviation Administration (FAA) Federal Aviation Regulation (FAR) Part 139 certification; and in compliance with the Massachusetts Department of Transportation (DOT) Aeronautics Division airport safety and certification requirements.
2. Celebrated first year of operations in the new 35,000 square foot Airport Passenger Terminal; completed installation of a new 500kW emergency generator. An Energy Star rating for energy efficiency is pending.
3. Celebrated first year of operations in the new 4,000 square foot 6-story Air Traffic Control Tower. Submitted application for a Leadership in Energy and Environmental Design (LEED) GOLD Certification.
4. Completed construction and installation of a new oily water separator at the Aircraft Rescue and Firefighting (ARFF) building and its connection to the Town sewer system.
5. Continued a Stage II Environmental Risk Assessment for the Upper Gate Pond and Lewis Pond on airport property as required by the Massachusetts Contingency Plan.
6. Completed the Final Environmental Impact Report as required by the Massachusetts Environmental Policy Act (MEPA) for the Town Council and Cape Cod Commission (CCC) mandated airport Master Plan and for the Development Agreement required by the Cape Cod Commission Development of Regional Impact. Application for the first 3-party Development Agreement (CCC, Town and Airport) has been accepted by the Cape Cod Commission for completion.
7. In conjunction with the Cape and Vineyard Electric Cooperative (CVEC), commenced planning for the installation of a new 30-acre 6 megawatt ground mounted solar photovoltaic array at the airport. Once engineering, permitting and Federal Aviation Administration (FAA) requirements are met, construction could start sometime in 2013. This installation will allow the zeroing out of the airport electric accounts and generate additional revenues for the airport enterprise fund account.
8. Commenced entire airport perimeter property line and leasehold property survey for use by multiple Town departments, to include review of all easements and compilation of all property historical data files.
9. Commenced installation of Phase 1 of the North Ramp groundwater bioremediation and oxidant injection system.
10. In partnership with the Arts Foundation of Cape Cod, completed the first year of the new airport art program that exhibits artwork that is submitted, reviewed and selected by the Airport Art Jury from very talented artists who chose to participate in the voluntary program. Created a new Airport Art Gift account to accept donations for program maintenance.

PERFORMANCE MEASURES

	CY 2010 Actual	CY 2011 Actual	CY 2012 Actual	CY 2013 Projected
<u>Measure:</u> To maintain a noise complaint ratio of less than 1 per 1,000 Airport Operations (includes landings/take-offs/instrument approaches/fly-bys/all flight operations controlled by the ATCT)				
Airport Operations	103,721	96,280	104,149	105,000
Noise Complaints Received	125	55	54	45
Noise Complaints/1000 Airport Operations	1.2	0.57	0.52	0.43
<u>Measure:</u> Increase parking revenue per enplanement				
Gross Parking Revenue	\$749,938	\$717,213	\$787,846	\$812,420
Enplanements (departing passengers)	124,162	100,450	94,466	98,000
Gross Parking Revenues/Enplanement	\$6.04	\$7.14	\$8.34	\$8.29
<u>Measure:</u> Increase rental car revenue per deplanement				
Gross Rental Car Revenue	\$3,278,989	\$3,173,377	\$3,455,129	\$3,559,360
Deplanements (arriving passengers)	122,396	100,233	94,687	98,000
Gross Rental Car Revenues/Deplanement	\$26.79	\$31.66	\$36.49	\$36.32
<u>Measure:</u> Increase the gallons of jet fuel contracted				
Gallons of Jet Fuel Dispensed	687,657	725,094	699,031	739,668
Gallons of Jet Fuel Contracted	0	0	0	275,000
Percentage of Jet Fuel Sales Contracted	0	0	0	37%
<u>Measure:</u> Generate a positive budget variance every year				
Surplus used to balance budget	(\$451,629)	(\$720,000)	None	None
Surplus generated (used)	(\$224,924)	\$676,358	\$338,441	TBD
Positive Variance	\$226,705	\$1,396,358	\$338,441	TBD

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