



**DRAFT 2015
OPERATION AND MAINTENANCE
BUDGET
FINANCE COMMITTEE**

October 15, 2014



Aviation Activity Forecast*

<i>(in thousands)</i>	Actual 2013	Revised Forecast** 2014	Projection** 2015	% Change 2014 vs. 2015
<i>Reagan National</i>				
Enplanements	10,209	10,385	11,345	9.2%
Landed Weights	13,147	13,435	13,485	0.4%
<i>Dulles International</i>				
Total Enplanements	10,936	10,654	10,355	-2.8%
Domestic	7,470	7,097	6,857	-3.4%
International	3,466	3,557	3,498	-1.7%
Landed Weights	17,254	17,533	17,353	-1.0%
<i>MWAA Systemwide</i>				
Enplanements	21,145	21,039	21,700	3.1%
Domestic	17,679	17,482	18,202	4.1%
International	3,466	3,557	3,498	-1.7%
Landed Weights	30,401	30,968	30,838	-0.4%

*Enplanements and landed weights includes signatory, non-signatory, general aviation and other.

**Source: Series 2014A Official Statement – Report of the Airport Consultant as adjusted by internal forecasts.

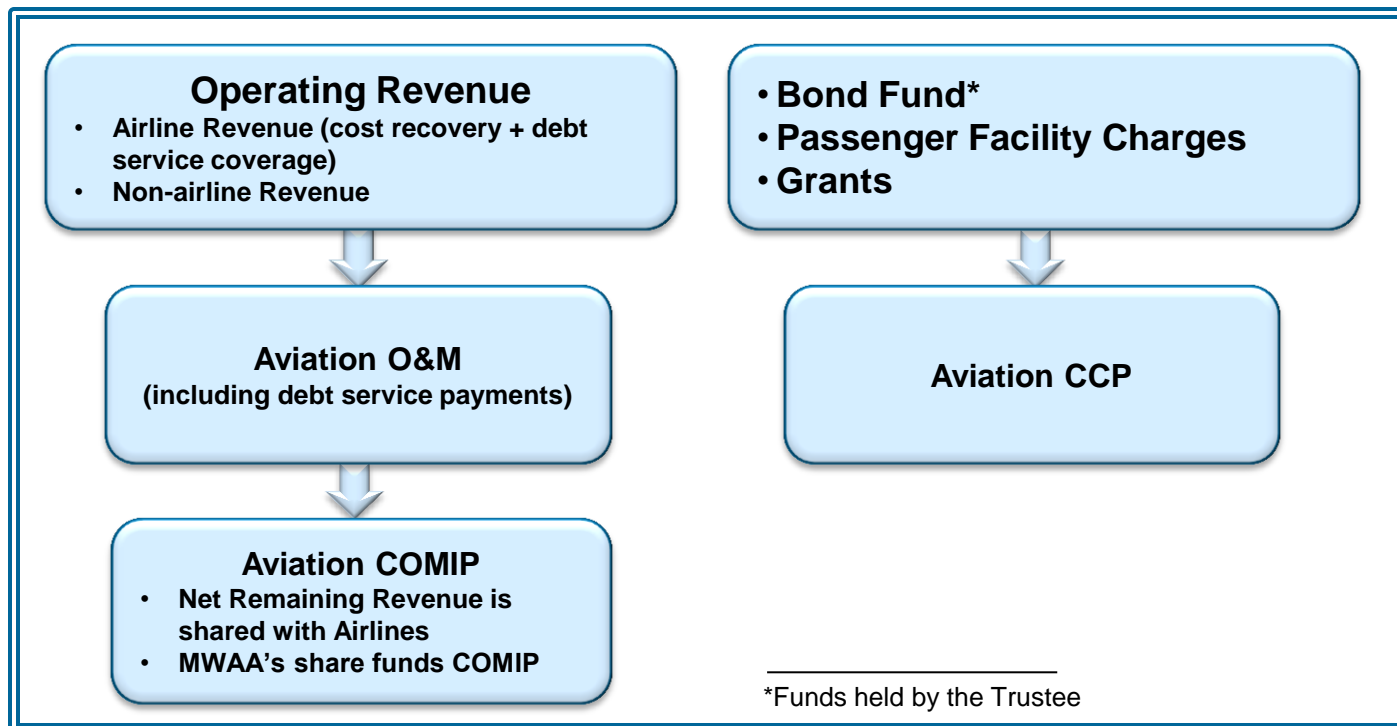


Aviation Enterprise Fund

Aviation Operation and Maintenance (O&M) Program

Aviation Capital, Operation and Maintenance Investment Program (COMIP)

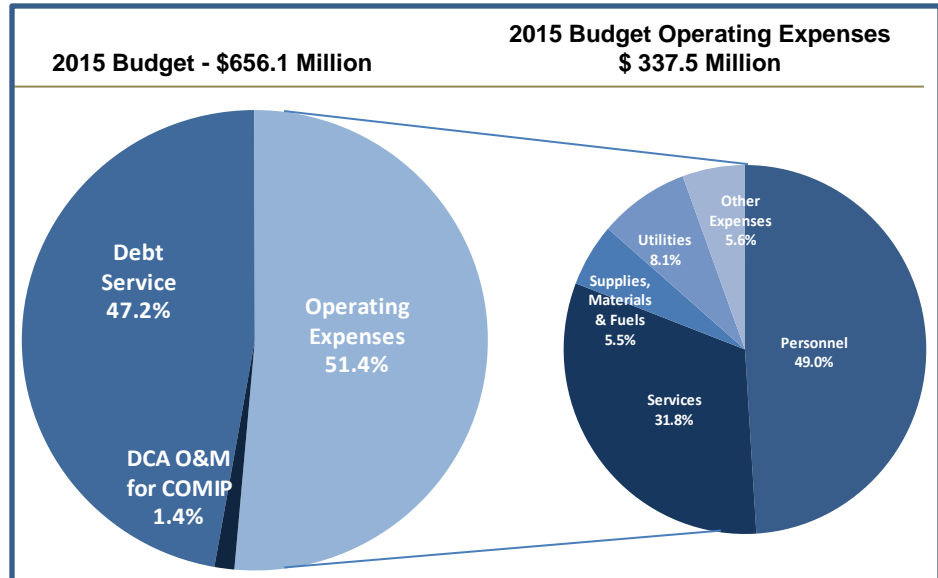
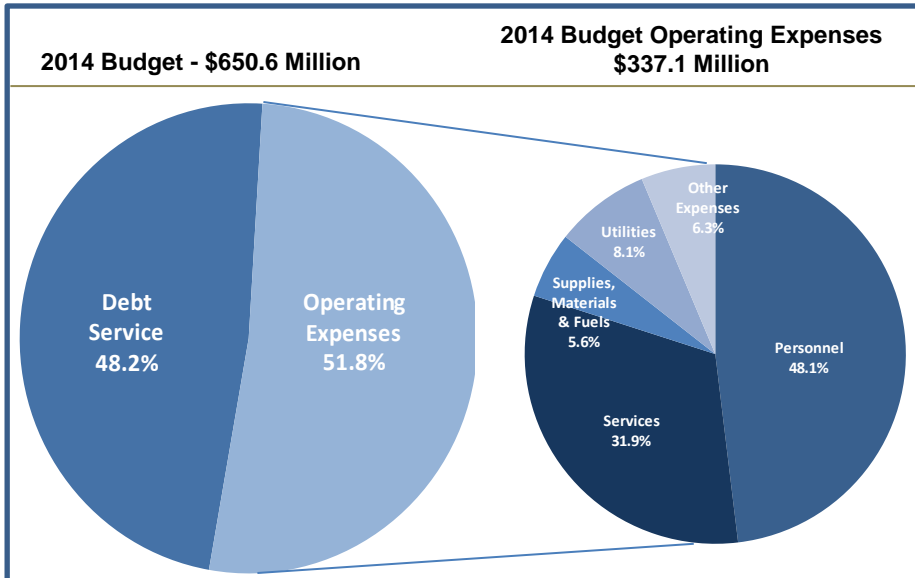
Aviation Capital Construction Program (CCP)





Aviation Operation and Maintenance (O&M) Program

<i>(dollars in millions)</i>	Budget 2014	Budget 2015	Budget 2014	Budget 2015	% Change
Reagan National	10.0%	9.7%	\$ 65.3	\$ 63.7	-2.4%
Dulles International	21.8%	21.4%	142.0	140.5	-1.1%
Consolidated Functions	11.8%	12.4%	76.5	81.6	6.7%
Public Safety	8.2%	7.9%	53.3	51.7	-3.1%
Subtotal Operating Expenses	51.8%	51.4%	\$ 337.1	\$ 337.5	0.1%
Debt Service	48.2%	47.2%	\$ 313.5	\$ 309.6	-1.2%
Subtotal Operating Expenses & Debt Service	100.0%	98.6%	\$ 650.6	\$ 647.1	-0.5%
DCA O&M for COMIP Program	0.0%	1.4%	\$ -	\$ 9.0	0.0%
Grand Total Operating Program	100.0%	100.0%	\$ 650.6	\$ 656.1	0.8%



Aviation 2015 O&M Program Highlights

■ **O&M Expense Goal**

- Continue Airports Authority's prioritization on safety, security, efficient operations and quality customer service standards while minimizing the impact to the Authority's cost structure

■ **2015 Personnel Compensation Adjustments**

- \$2.57 million increase in pay for performance program to fund an average two percent pay adjustment and \$500 thousand for pay range adjustments
- \$780 thousand for funding four new positions (excludes 22 new Engineering positions which will be funded through the CCP budget)
- \$300 thousand increase in overtime based on historical usage
- \$5.6 million increase for in-house non-career technology talent versus contractual services (an offset is reflected in services)

Aviation 2015 O&M Program Highlights *(continued)*

■ Personnel Benefit Programs

- \$1.8 million increase for health insurance (cost increase was mitigated by \$2.1 million in 2015 resulting from new contract)
- \$4.4 million decrease in post retirement medical and life insurance
- \$5.4 million **one-time decrease** to annual pension contributions

■ Utilities

- \$75 thousand decrease based on rates and usage (no material change)

■ Insurance

- No net change in insurance claims and premiums

■ Debt Service

- \$3.9 million decrease from the 2014 Budget (net of PFCs)

Aviation 2015 O&M Program Highlights *(continued)*

■ Services

- \$225 thousand increase for new Human Resources management intern, apprentice and leadership programs
- \$325 thousand increase for Employee Wellness Program Incentives & Employee Benefits Plan Review
- \$597 thousand increase for funding new offices (Real Estate, Corporate & Risk Strategy and Chief Revenue Officer)
- \$1.2 million increase for custodial services at National Airport
- \$1.2 million increase for AeroTrain systems operation contract at Dulles Airport
- \$1.2 million increase for inline-baggage support at Dulles Airport
- \$6.3 million decrease to offset personnel increases for the migration to in-house talent

Aviation 2015 Personnel Highlights

■ **New Positions**

— **Office of Finance**

- Procurement Manager Simplified Acquisition, S-21

— **Office of Business Administration**

- Equal Business Opportunity Specialist (2), S-20

— **Office of Corporate Risk & Strategy**

- Administrative Assistant, S-17

— **Office of Technology**

- Addition of 58 new non-career positions migration to in-house talent

— **Office of Engineering**

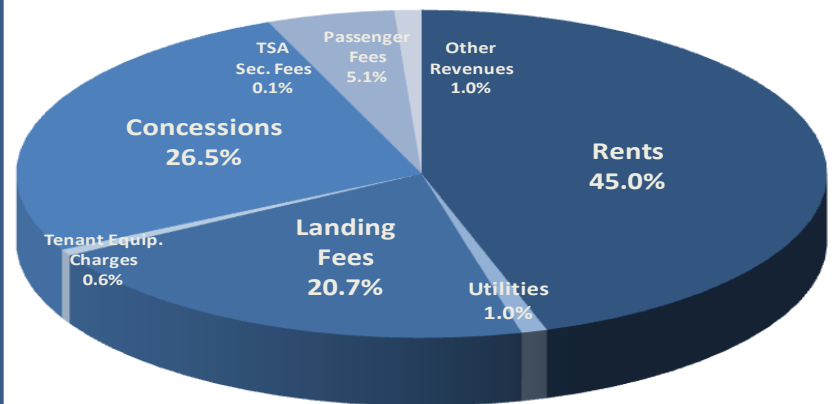
- Addition of 22 new positions to replace program management consultants will be capitalized and paid within the CCP budget



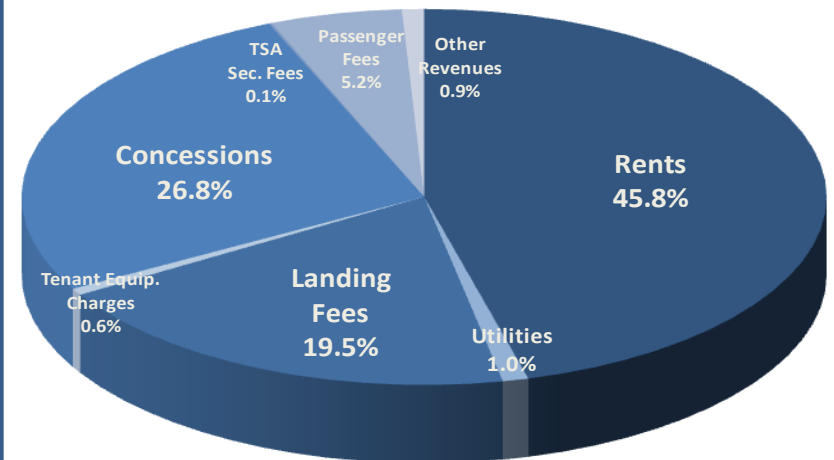
Aviation Operating Revenues*

<i>(dollars in millions)</i>	TOTAL AIRPORT SYSTEM		
	Budget 2014	Budget 2015	Percent Change
Rents	\$ 334.5	\$369.8	10.6%
Landing Fees	153.6	156.6	1.9%
Tenant Equipment Charges	4.6	4.7	2.0%
Concessions	196.8	216.4	10.0%
Rental Cars	36.5	36.8	0.8%
Inflight Kitchen	8.5	13.2	54.7%
Parking	73.9	77.1	4.3%
Fixed Base Operator	12.5	15.9	27.3%
Food & Beverage	19.2	19.5	1.8%
Retail & News	10.9	12.2	12.1%
Services	8.2	16.8	103.7%
Display Advertising	12.6	9.4	-25.5%
Other	14.5	15.5	7.2%
TSA Security Fees	0.2	0.9	425.0%
International Arrivals Building Fees	20.4	21.0	2.7%
Passenger Conveyance Fees	17.3	21.9	26.4%
Utilities	7.7	8.3	8.7%
Other Revenues	8.1	7.2	-11.4%
Total	\$ 743.3	\$806.8	8.6%

2014 Budget Revenues - \$743.3 Million



2015 Budget Revenues - \$806.8 Million



*Funded by revenues from: Airlines Terminal Rents, Landing Fees, Tenant Equipment Charges, International Arrivals Building and Passenger Conveyance Fees are generated on a cost recovery basis and Airport tenants and concessionaires (i.e., parking, rental cars, etc.)

Aviation Capital Programs

- **Capital, Operating, and Maintenance and Investment Program (COMIP)**
 - COMIP is under review and will be based on new Airline Use and Lease requirements

- **Capital Construction Program (CCP)**
 - CCP is under review and will be based on new Airline Use and Lease requirements

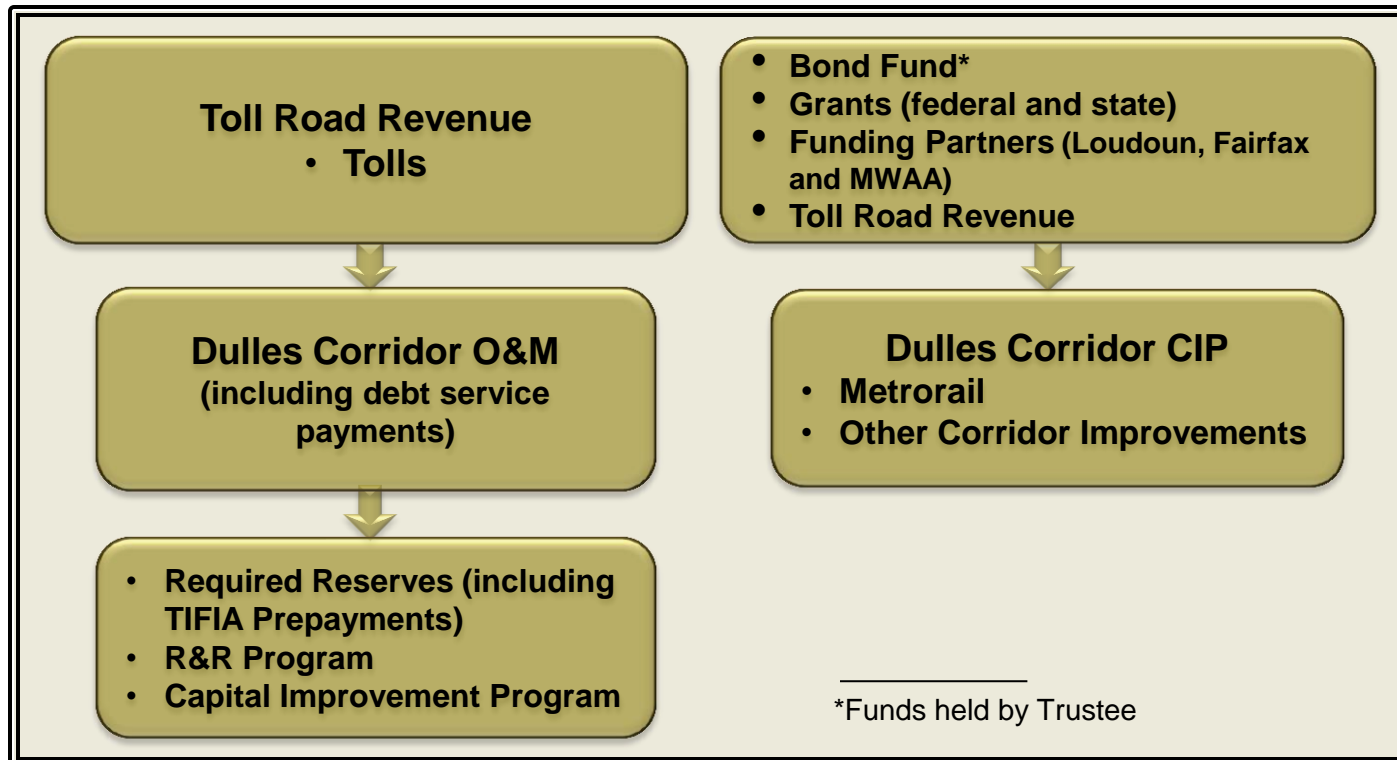


Dulles Corridor Enterprise Fund

Dulles Corridor Operation and Maintenance (O&M) Program

Dulles Corridor Renewal and Replacement Program (R&R)

Dulles Corridor Capital Improvement Program (CIP)

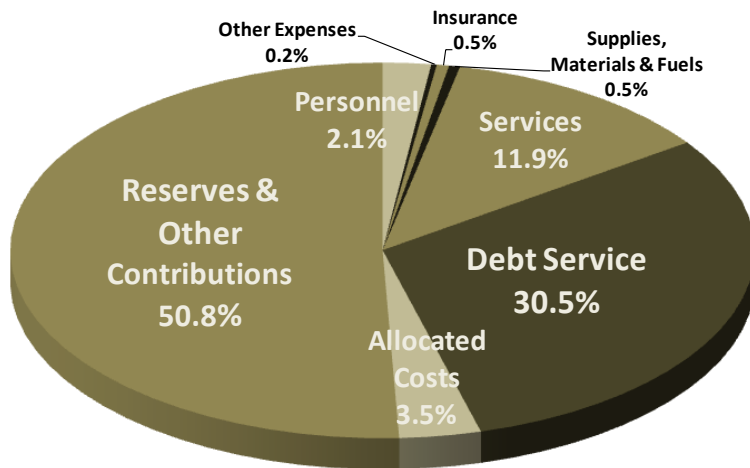


*Funds held by Trustee

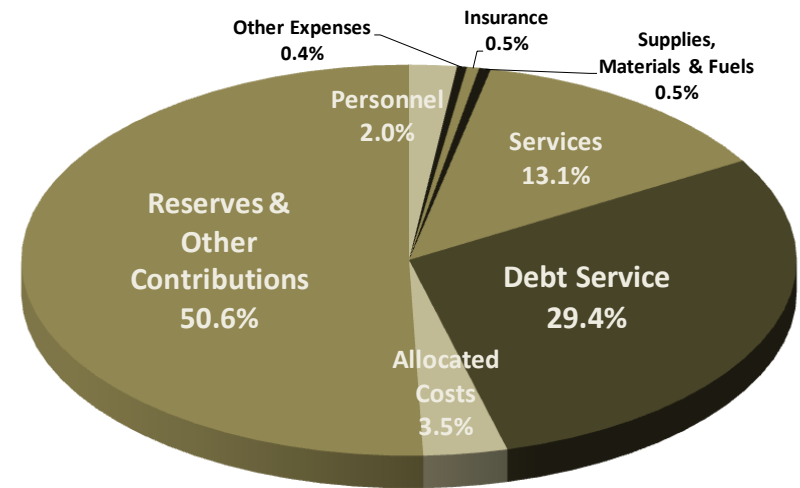


Dulles Corridor Enterprise

2014 Budget Operating Expenses \$149.7 Million



2015 Budget Operating Expenses \$156.6 Million



(dollars in thousands)

	Budget 2014	Budget 2015
Operating Revenue from Tolls	\$ 149,595	\$ 154,166
Interest Income	136	2,461
Total Revenue	\$ 149,731	\$ 156,627
Operating Expenses	\$ 28,169	\$ 31,340
Debt Service	45,634	46,054
Reserves and Other Contributions	75,928	79,233
Total Operating Expenses	\$ 149,731	\$ 156,627
Remaining Toll Road Revenue Fund	\$ -	\$ -

Dulles O&M Programs

- **O&M Program (O&M)**

- Reinstatement of electronic toll collection and revenue fee structure by the Commonwealth of Virginia adds \$2.2 million to the cost structure
- No planned toll increases through 2018

Dulles Corridor Capital Programs

- **Renewal and Replacement Program (R&R)**
 - New authorization for R&R is under development based on Transportation Infrastructure Finance and Innovation Act (TIFIA) terms and conditions requiring an independent consultant to develop life cycle cost report

- **Capital Improvement Program (CIP)**
 - New CIP authorization for Corridor improvements other than rail is under development based on TIFIA terms and conditions requiring an independent consultant to develop life cycle cost report

Dulles Corridor Personnel Highlights

■ New Positions

— Metrorail Project Office

- TIFIA Compliance Accountant – S-20
- Contracting Officer (2) – S-20



Board Schedule

October 15 — 2015 Draft Operation and Maintenance Budget Presented to Finance Committee

November 12 — 2015 Recommended Budgets Presented to Finance Committee

December 10 — Board Approval of 2015 Budgets



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY